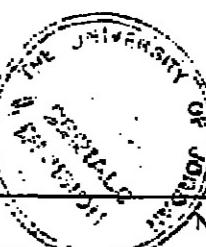


INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

No. 34,641



**

Paris, Friday, July 15, 1994

EU's Bureaucrats Brace For the Post-Delors Era

Choice of Santer of Luxembourg Raises Some Eyebrows at Brussels Commission

By Tom Buerkle
International Herald Tribune

BRUSSELS — European Commission officials say they are downcast as they brace for the transition from Jacques Delors as commission president to Jacques Santer, whose appointment European leaders are expected to ratify here Friday. A quick contrast of their achievements helps explain why.

Ten years ago, Mr. Delors was plucked from relative obscurity as France's finance minister to become president of the commission, the European Union's executive agency. He went on to transform the Union through the single-market program and the Maastricht plan for economic and political union, and made himself one of Europe's most visible leaders.

Mr. Santer rose from being Luxembourg's finance minister to prime minister 10 years ago, but he has never risen above obscurity.

Other than defending Luxembourg's role as a capital haven by persistently blocking an EU-wide tax on savings, European officials who know the 57-year-old centrist say the most remarkable thing about him is his lack of a strong legacy from such a long hold on power.

"He's led his country, O.K.," said a former longtime EU insider who has worked frequently with Mr. Santer. "But it is clear that one cannot say that he played any specific role in the European Council over these 10 years," he added, referring to the meetings of EU heads of government.

That EU leaders are turning to Mr. Santer to fill what all claim is Europe's most important post speaks volumes about their own flagging enthusiasm for European integration.

Still reeling from the public backlash over the Treaty on European Union, leaders want a manager heading the Brussels bureaucracy, not a visionary looking to intrude on the turf of national governments.

"Can we always cope with a leader like Jacques Delors?" a German official said. "Do we not need from time to time a period of consolidation?"

Mr. Santer is well-placed to bridge the gap between advocates of deeper European integration and skeptics in Britain and elsewhere. As the European Union's smallest country, Luxembourg's fate is dependent on EU integration, but many of its citizens fear being swallowed up in an EU superstate.

"To help along the process of European integration does not mean to usher in a Napoleonic Europe," Mr. Santer said in an interview Thursday in the newspaper Luxembourg Wort. "The more Europe is decentralized, the stronger it is."

Meanwhile, Chancellor Helmut Kohl of Germany is anxious to settle the presidency after being humiliated at a summit meeting in Corfu, Greece, three weeks ago.

Then, Prime Minister John Major of Britain vetoed Mr. Kohl's first choice, Prime Minister Jean-Luc Dehaene of Belgium. Having previously snubbed the Dutch candidate, Prime Minister Ruud Lubbers, and with Prime Minister Felipe Gonzalez of Spain out of contention, Mr. Kohl found himself without any heavyweights on whom all 12 EU leaders could agree.

And so, German sources expressed relief following final consultations on Thursday that Mr. Santer's selection seemed all but assured when the leaders gather here Friday.

Sounding a positive note, they stressed his management of Luxembourg, which is the only EU country that meets the Maastricht criteria of low government deficits and inflation for joining a single European currency system.

They also expressed hope that with little power base of his own, he would restore order and morale to the bureaucracy by relying on the commission's hierarchy instead of perpetuating Mr. Delors's personal network of hand-picked appointees.

British sources said Mr. Major saw a soulmate in Mr. Santer. They lauded his preparation of the Maastricht Treaty when Luxembourg held the EU presidency in the first half of 1991, saying Mr. Santer

See EUROPE, Page 8



Mal Langsdorff/Reuters

To Fanfare and Dissent, Germans Parade on the Champs Elysees

The first German troops to parade in Paris since World War II moving down the Champs Elysees during the annual July 14 military parade. Their inclusion stirred strong emotions for some who had lived through the German occupation. Page 8.

Bundesbank Chief Ponders Dollar's Ills

By Alan Friedman
International Herald Tribune

PARIS — Hans Tietmeyer, president of the Bundesbank, added his influential voice Thursday in New York, the dollar closed at 1.5552 Deutsche marks, up from 1.5413 DM on Wednesday. Against the Japanese yen, the U.S. currency finished at 98.595, up from 98.230. (Page 10)

But Mr. Tietmeyer — in his first public remarks since the Group of Seven summit meeting last weekend in Naples — also appeared to underscore the German central bank's reluctance to get involved in a coordinated central bank intervention in foreign exchange markets to shore up the dollar.

The primary responsibility for the strength of the dollar lies, of course, in the

U.S. itself," he said during a speech in Frankfurt.

On Thursday in New York, the dollar closed at 1.5552 Deutsche marks, up from 1.5413 DM on Wednesday. Against the Japanese yen, the U.S. currency finished at 98.595, up from 98.230. (Page 10)

At Naples, finance ministers emerged from their meetings determined to try to talk up the dollar collectively by noting that economic fundamentals were sound and that the dollar would eventually reflect this by gaining strength.

Even before the Naples summit, President Bill Clinton in effect ruled out any immediate and concerted action to prop up the dollar, although Treasury Secretary Lloyd Bentsen was later careful to try to

keep markets guessing by insisting that he did not "telegraph" potential intervention.

Analysts said that foreign exchange traders were heartened Thursday by Mr. Tietmeyer's remark that a precipitous decline of the dollar would be "ultimately harmful to all."

Mr. Tietmeyer, in sticking to the script agreed upon by Group of Seven monetary authorities at Naples, said that a strong and stable dollar "must be in the interests of the global economy."

"This is also the case for Germany," he said.

He reminded his audience that G-7 ministers had agreed that a further weakening

See DOLLAR, Page 15



Mike Nelson/Agence France Presse
Brazil's Romario, third from left, heading the ball for the winning goal and the right to meet Italy in the Cup final

For South Koreans, Opportunity Knocks in the North

By Steven Brill
International Herald Tribune

ed direct communication and kept aggressive investment plans on hold.

"More and more people are beginning to realize that economic matters are more important than politics, including the bizarre issue," said Yoo Jae Hyun, director of business development for Kolon International Corp. "We're not only looking at business factors," he added. "Long-term,

we're investing locally, not in a foreign country."

With competitiveness eroding in labor-intensive industries such as textiles and shoes, South Korean companies see immediate benefits in exploiting a cheap labor force. Conditioned by a totalitarian system, North Korean workers are also less

demanding than those in South Korea, who for years have extracted annual double-digit wage increases.

More important in the medium-term, deeper economic integration is seen as a key to opening up Pyongyang's political system. That, in turn, will advance the day

See KOREA, Page 8

Fill Your Own Tank? No Rush in Japan

By Andrew Pollack
New York Times Service

TOKYO — A motorist arriving at a service station here is usually greeted by a phalanx of uniformed attendants shouting welcomes. They guide the car into position, wipe the windows, empty the ashtray, and check the tire pressure. If necessary, they halt traffic to usher the car back onto the road.

This kind of pampering comes at a price. It helps push gasoline costs to nearly \$4.50 a gallon, four times as much as in the United States.

But now, a radical notion is creeping into Japan. Why not let consumers pump their own gasoline?

Self-service stations are prohibited on the grounds that they're a fire hazard. But

with the government vowing to deregulate the economy drastically, the prohibition on drivers pumping their own gas has become a symbol of what critics say are thousands of needless restrictions that raise costs.

"It's just a very typical example — America and many other countries can and Japan cannot," said Mitsuru Shinohara, spokesman for a business group pushing deregulation.

But the self-service debate is also symbolic of how difficult it will be to achieve deregulation against the fierce resistance of vested interests. A package of 279 deregulatory steps recently announced by the government recommended only that self-service be allowed.

"To introduce the self-service system, we need to train the users, probably in drivers' schools," he said.

Nor will American companies necessarily

See PUMP, Page 15

Overwhelmed, French Plead With UN for Rwanda Aid

Paris Seeks Emergency Security Council Session To Deal With 'Disaster'

Compiled by Our Staff From Dispatches

GOMA, Zaire — With only a small number of soldiers and relief workers facing a torrent of hundreds of thousands of Rwandan refugees crossing the border here, the French government called Thursday for an emergency United Nations Security Council meeting to deal with what it called a seriously deteriorating situation.

The refugees, driving cattle and goats and carrying a few meager possessions, were streaming across the border as the Hutu government forces retreated before a rebel offensive.

In Paris, the Foreign Ministry said in a statement: "On top of a disastrous humanitarian situation with several million displaced people, there is now a massive influx of refugees at the Zairian border because of continued fighting."

The refugees struggled across the border into the town of Goma, some collapsing exhausted as soon as they reached Zaire, others plodding on to UN refugee camps.

Sergio Piazza, head of the UN Rwanda Emergency Office, said he expected 800,000 people to cross by Friday or Saturday.

In Geneva, the UN High Commissioner for Refugees, Sadako Ogata, said that her agency could not cope with the exodus.

"We are working round the clock to help these people but we do not have sufficient resources to do the kind of job the world expects from a humanitarian agency," she said. "We must be allowed to help these terrified, traumatized and hungry people in their own country, otherwise their suffering will be compounded."

France said the fleeing Rwandan government and its remaining troops would not be welcome in the safe zone it had set up to protect civilians in southwest Rwanda. Government officials reportedly were fleeing Thursday from Gisenyi in the northwest to Cyangugu, the town where the French intervention force is based.

"France's mission is to assure the protection of civilians in the humanitarian zone," a French spokeswoman said. "In this context, it is not desirable that members of the Rwandan government enter the zone."

However, she said French troops protecting the zone did not have the means to police its borders and could not prevent the fleeing government officials from entering the area.

Faustin Twagiramungu, designated by the rebels to be a new government's prime minister, returned from exile Thursday, saying his first priority was to reassure Rwandans fleeing the rebel advance.

A UN special representative, Shahryar Khan, said after a meeting with Mr. Twagiramungu that a cease-fire was urgently needed to end the humanitarian tragedy in Rwanda. He appealed for aid agencies to move faster to help the refugees streaming into Zaire.

Mr. Twagiramungu, a Hutu moderate named by the Tutsi-dominated Rwanda Patriotic Front to head a national unity government, arrived in Kigali from Uganda.

There were no accurate figures on how many refugees were passing through different checkpoints or trekking across the unpatrolled hills to the north of Goma. As evening fell, it was estimated that several hundred thousand people had moved into Goma and the flow was continuing unchecked.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda lies a multitude of African countries wrestling with multiethnic and multireligious heritages, perhaps the greatest threat to their stability today.

Sub-Saharan Africa, divided into 45 states, is the most balkanized land mass anywhere. Yet those divisions pale next to the hundreds of unofficial boundaries among tribes and clans, religions and languages. About 50 major languages are spoken in Africa, and as many as 2,000 languages are less widely spoken.

Rwanda, a tiny and densely populated central African republic wounded by recurrent tribal pogroms, is still wracked by violence three months after the alleged assassination of its president triggered ethnic carnage a scale virtually unknown in Africa. An estimated half-million Rwandans, mostly members of the minority Tutsi tribe, have been slaughtered by militias of the majority Hutu.

Between the polar extremes of South Africa and Rwanda

Working Wonders on Russia's Lady (It Worked for Lenin)

By Alessandra Stanley
New York Times Service

MOSCOW — A 2,000-year-old body of a woman discovered in the Siberian permafrost by Russian archaeologists is undergoing a rejuvenating makeover by the same scientists who preserved Lenin's body.

Lying rather daintily on her side in a glass tank filled with bright green alcohol solution, the Russian mummy — named Lady by the archaeologists because of her regal bearing and rich burial trove — is painstakingly being brought back to the surprisingly good shape in which she was found last July.

"Our main task is to keep her remaining flesh preserved for all time," said Sergei S. Debov, 75, the biochemist who did the same for Lenin, Ho Chi Minh of Vietnam and dozens of other Communist leaders.

Lady lies in the scientists' Moscow laboratory wrapped only in a white sheet. But when unearthed, she was elegantly laid out in a white silk blouse, red skirt and white stockings.



She had been buried in a hollowed tree trunk alongside horse harnesses, a mirror, dishes and a small container of cannabis, which archaeologists believe was smoked for pleasure and used in pagan rituals.

That, and the intricate tattoos on her left arm, led the archaeologists to conclude that she was both a Scythian princess and a priestess. To preserve her as a mummy, her vital organs had been removed and replaced with moss and peat.

Other Scythian graves have been found in the area, but Mr. Derevyanko said that none of

"She is our first tattooed lady," said Anatoli P. Derevyanko, director of the Institute of Archaeology and Ethnography in Akademgorodok, the academic town that is the site of the Siberian branch of the Russian Academy of Sciences.

In 1991, the institute began excavations at Ukok, an arca in the Altay mountain region in southern Siberia, southeast of Pasryk, where a Scythian burial ground was discovered in the late 1920s.

Scythian nomads, based in the steppes north of the Black Sea, were ancient warriors who at one time occupied much of Eastern Europe and Russia. They were mentioned by the Greek historian Herodotus.

In 1991, the Russian team of archaeologists found a husband and wife buried together at Ukok, both wearing armor. All that was left of them, however, was their skeletons.

Other Scythian graves have been found in the area, but Mr. Derevyanko said that none of

the mummies was as well preserved.

"In terms of the preservation of flesh," he said, "this is a unique discovery."

The Scythian Lady has not received the kind of attention accorded the 4,000-year-old iceman, who was found frozen in a glacier in the Tyrolean Alps two years ago, or even Dima, the 12,000-year-old frozen baby woolly mammoth found by fishermen in Siberia in 1977.

Russian archaeologists, however, say Lady is the most important Scythian discovery since Pasryk.

"The iceman died accidentally," Mr. Derevyanko said. "He was not buried with an inventory of possessions around him."

Mr. Debov said he was using a slightly different method to preserve Lady than was used on Lenin, who still lies in state in Red Square, though without his honor guard. The scientist

would not divulge either technique.

The effort to restore the Russian mummy unites two odd sides of Russian science, Mr. Debov's secret embalming method and the theories of the late Mikhail M. Gerasimov. He was an anthropologist and sculptor who developed a method for approximating the faces of figures like Ivan the Terrible and the poet Schiller by analyzing their skulls.

The laboratory founded by Mr. Gerasimov has agreed to try to reconstruct what Lady may once have looked like. At 5 foot 4 inches (1.62 meters), at her best for her time, and had long legs.

"She was young, 18 or 20, and had young features," said Tatiana S. Baluyeva, the senior researcher at the laboratory for anthropological reconstruction at the Institute of Ethnology and Anthropology, who conducted a preliminary study of the skull. "I think it is all right to say she was pretty."

They were unable to determine the cause of her death.

UN UNIT IN BAGHDAD CITES MAJOR STRIDE

Monitoring System Nearly in Place

By Carlyle Murphy
Washington Post Service

BAGHDAD — The sophisticated communications gear that long filled a 17th-floor room at the Sheraton Ishtar Hotel in Baghdad will soon be gone, signaling a new stage of work for United Nations weapons inspectors who first came to Iraq three years ago.

The transfer of this equipment out of the inspectors' makeshift operations room at the hotel into a new "monitoring and verification" facility that is nearing completion will also herald a major step toward a possible lifting of the UN ban on oil sales by Iraq.

The UN Special Commission on Iraq was set up after the 1991 Gulf War with two major tasks: to identify and destroy Iraq's biological, chemical and nuclear weapons and ballistic missiles, and to install a comprehensive monitoring system to ensure that work on those banned weapons programs is not restarted.

Rolf Ekeus, chairman of the special commission, said his first task was practically finished. All known banned weapons had been destroyed, he said, and there remain only some "verification" problems with parts of Iraq's past weapons programs. Iraq has not produced certain documents that could resolve these problems, saying the papers were destroyed, Mr. Ekeus said.

The second task — installation of the monitoring system — is also near completion.

"Things are going very quickly" on this project, Mr. Ekeus said. "We hope to conclude putting the system in place and have it provisionally operational by September."

The most stringent and intrusive industrial oversight regime ever imposed on a country by the United Nations will involve unannounced visits by inspectors, remote cameras at research facilities and heavy industrial sites, aerial surveillance and sensors.

The monitoring of about 150 sites will be overseen from the permanent facility under construction here, where a 300-foot (90-meter) tower to receive radio signals from remote cameras has been erected.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time to see the system working," he said. His remark suggests that the remaining verification problems on Iraq's past weapons programs may have to be resolved before Mr. Ekeus gives formal notice to the Security Council that the international monitoring system is ready to begin operation.

The regime, which will also require exporters to inform the United Nations of a long list of items sold to Iraq, is meant to "go on for years," Mr. Ekeus said.

"If there is no loose end with the past program, then I've told the Security Council that we need some time

THE AMERICAS / THE AMERICAS

Haiti Isn't Vital to U.S., Nunn Warns

Compiled by Our Staff From Dispatches

WASHINGTON — The head of the Senate Armed Services Committee cautioned Thursday against a U.S. invasion of Haiti, saying the Caribbean nation was not a "vital" American interest.

Senator Sam Nunn, Democrat of Georgia, urged the Clinton administration to think through any invasion "very carefully."

"When we think of Haiti, we should also think of other spots in world where we have potential problems," he said in a broadcast interview. He said North Korea is "a vital interest that has to be our first top priority."

"Bosnia is also important,

and Haiti is important, but neither Bosnia nor Haiti are vital."

Mr. Nunn also said that the exiled president of Haiti, Jean-Bertrand Aristide, should meet certain U.S. conditions as the price for any attempt to restore him through an invasion.

If the purpose of an invasion is to restore Father Aristide and promote democracy, the United States must have "not only an exit strategy, but most importantly an entrance strategy," Mr. Nunn said.

"We need to, I think, lay down some conditions to President Aristide as to what he would do if he is restored, including human rights, including guaranteed elections, including

a professionalization of the police and security forces and including pledges not to take retribution except within the legal limits," he said.

Mr. Nunn said matters would be different if a U.S. invasion were to protect the lives of the estimated 3,500 Americans still in Haiti. "Right now, they're not under threat. If they come under threat, we have to be prepared to move very rapidly."

President Bill Clinton's special

adviser on Haiti, William H. Gray 3d, said Wednesday night that no U.S.-led invasion of Haiti was imminent, but that military intervention remained an option.

U.S. Marines staged a mock evacuation on the Bahamian island of Great Inagua on Wednesday, practicing the kind of operation they would carry out if ordered to rescue Americans and others in Haiti.

Military officials described the two-day event as a routine training mission and said they had not intended to publicize it. But other administration officials called attention to the action, apparently as part of Washington's effort to unnerve Haiti's military leaders and pressure them into leaving.

The military remained def-

ant. The army commander in chief, Lieutenant General

Raoul Cedras, said he would step down only if the international community recognized as president the civilian judge installed by the military in May.

Otherwise, General Cedras

said in an interview with The Associated Press, he would stay in power "no matter what the consequences" until his term as army chief expired Jan. 31.

General Cedras led the military coup that deposed Father Aristide in 1991.

In an earlier interview with ABC News that was broadcast Wednesday, General Cedras

described his leadership as a "safety valve," and said that Haiti would explode if he were

to step down.

The Haitian government ear-

lier this week ordered the expul-

sion of a team of 92 human

rights monitors from the United

Nations and the Organization

of American States.

The observers arrived in

Guadeloupe after leaving the

Haitian capital, Port-au-Prince,

late Wednesday.

At the Port-au-Prince air-

port, the U.S. ambassador, Wil-

liam Swing, praised the team,

which monitored human rights

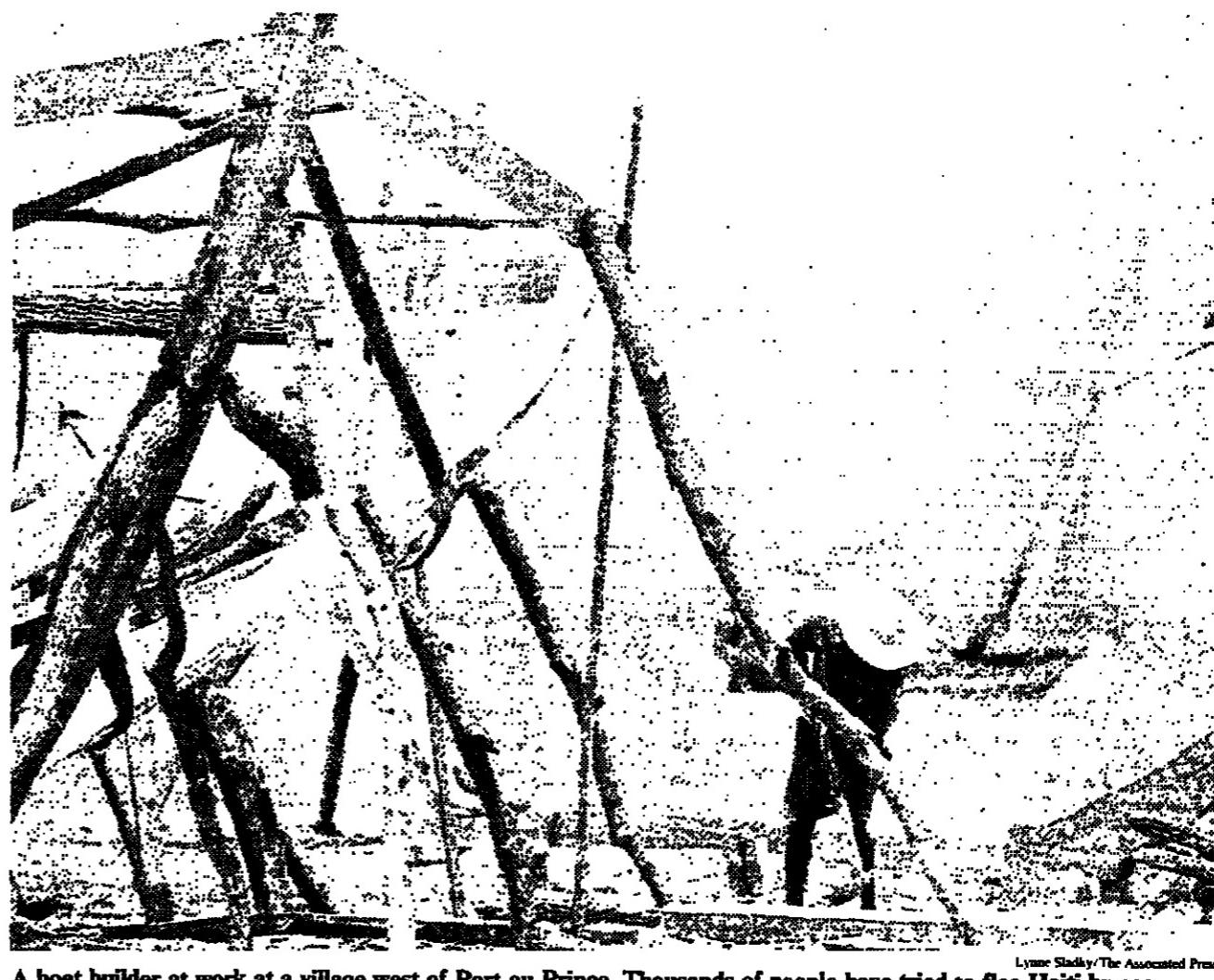
abuses. "Their absence is going

to be palpable to the human

rights scene and we hope to

have them back," he said.

(AP, Reuters, WP, AFP)



Lynne Sladky/The Associated Press

A boat builder at work at a village west of Port-au-Prince. Thousands of people have tried to flee Haiti by sea.

POLITICAL NOTES

Pro-Abortion Democrats Show Resolve

WASHINGTON — Escalating a long-simmering struggle, more than a fourth of the Democrats in the House have served notice on their leadership of their commitment to covering abortion services in a national health plan.

Their signal came in a letter to Representative Thomas S. Foley, Democrat of Washington and the speaker of the House. It was signed by about 70 Democrats and it strongly suggested that their support for a health care bill would depend on whether it covers abortion.

The letter was a clear attempt to signal that the abortion rights camp, which includes much of the party's liberal base, will not be taken for granted in the struggle over health care legislation.

The letter's release was timed to coincide with a news conference by the nation's Roman Catholic bishops, at which they formally reiterated their intention to fight the inclusion of abortion in the basic benefit package guaranteed in any health care law.

(NYT)

Court Rebuffs California on Welfare Cuts

SACRAMENTO, California — In a decision that could have repercussions across the nation, a federal appeals court Wednesday invalidated millions of dollars in California welfare cuts, saying government officials had failed to consider the hardship they would impose on poor families.

The 2-1 ruling by a panel of the U.S. 9th Circuit Court of Appeals in San Francisco said the Bush administration violated federal law in 1992 when it approved the cuts without investigating the potential impact on the 2.7 million Californians who receive welfare payments.

Writing for the majority, Judge Alfred Goodwin said there was clear evidence the benefit reductions would put many segments of the welfare population at "increased risk of homelessness, inadequate nutrition, and a variety of emotional and physical problems."

The ruling applied specifically to a 1.3 percent reduction in Aid to Families with Dependent Children benefits that was imposed Dec. 1, 1992. But lawyers on both sides of the issue said it could also nullify a further 2.7 percent reduction approved last year and a 2.3 percent cut scheduled to go into effect in September.

The three-judge panel did not specifically order that benefits be raised, but advocates for the poor said they believed that restoration of benefits would be the ultimate result if the ruling survives further challenges.

"I think some policymakers have felt there are no limits when they want to balance the budget by reducing living standards of poor families" said Casey McKeever, an attorney for the Western Center on Law and Poverty, which sued the state and federal government on behalf of welfare recipients. "I think this decision will set a much stricter standard for that."

Mr. McKeever said the ruling could revolutionize the way waivers of federal law are approved. If the ruling is upheld, he said, it would also force courts in other states to nullify welfare cuts.

(LAT)

Group Targets Religious Conservatives

WASHINGTON — A broad coalition of mainline religious leaders plans to announce the establishment of a lobbying group intended to counter the Christian Coalition, the leading organization of religious conservatives.

Organizers of the group, the Interfaith Alliance, said there had been few people from religious organizations speaking out against the religious right, leaving most of the attacks to come from the Democratic Party.

They said they hoped that people from theological backgrounds would appear more credible than politicians. (NYT)

Quote/Unquote

Surgeon-General Joycelyn Elders in a recent speech in which she attacked the "in-Christian religious right" for opposing education in such areas as sex and AIDS: "We've got to be strong to take on those people who are selling our children out in the name of religion."

(LAT)

By Susan Schmidt
and Charles R. Babcock

Washington Post Service

WASHINGTON — President Bill Clinton took out about \$400,000 in personal loans from one small Arkansas bank when he was governor of Arkansas, the banker, a former Clinton aide, has disclosed. The money was used for his political campaigns and to promote a state education initiative, and at least part of the debt was repaid with donations from corporations.

W. Maurice Smith, Mr. Clinton's top gubernatorial aide until 1985, said in an interview that Mr. Clinton took out between a half-dozen and a dozen unsecured loans between 1983 and 1988 from his Bank of Cherry Valley. He estimated that about \$300,000 of the money went to campaigns, though Mr. Clinton's gubernatorial campaign

records show only one \$50,000 loan to the candidate during those years.

Mr. Smith said the money was in no way a personal or political slush fund for Mr. Clinton.

"I guarantee if he'd had one I'd have known about it," he said.

It was previously known that Mr. Clinton had raised private money to fund advertising for legislative programs, but not all the donors were identified publicly. It was not known that some of the money was used to repay Mr. Clinton's personal loans. The White House was unable to fully explain the loans.

Betsey Wright, a former Clinton aide who oversaw the raising and spending of the funds, said in an interview Wednesday from the White House that she had turned over her records to Robert B. Fiske, the special counsel investigating Mr. Clinton's finances in the Whitewater land deal.

(AP)

Mr. Fiske is investigating whether taxpayer-insured funds from Madison Guaranty Savings & Loan were diverted to pay off the \$50,000 campaign loan from Cherry Valley in 1984.

Madison was owned by James B. McDougal, the Clintons' business partner in the Whitewater land venture, which itself had borrowed from Mr. Smith's bank. Ms. Wright said her records were incomplete so she could not elaborate on how much of the Cherry Valley loans were used to purchase legislative initiatives and how much were used for the governor's re-election campaign.

Though Mr. Clinton borrowed the money from the bank in his name personally, she said, he never saw the money and "not one penny ever went for the Clintons' personal use."

Ms. Wright, now a Washington lobbyist, said she would not make public

copies of the documents showing the identity of the donors who paid off the loans or how the money was spent.

"They are in my custody and I will not release them until Mr. Fiske has completed his task," she said.

John Podesta, a White House aide, said: "Clinton went out and raised money from the business community to put ads on the media. It was a well-known part of his efforts to move the state forward."

Two lists of contributors who donated a total of \$120,000 to legislative initiatives in 1988 and 1989 were made public at the time.

Mr. Smith said he knew of only one legislative initiative funded by his bank. He lent Mr. Clinton \$100,000 in 1983 to push for education reform in a special session of the legislature. Arkansas corporations, including Tyson

Foods, Worthen Bank, Wal-Mart Stores and TCBY made contributions to an education reform fund that paid off the loan, he said.

"It was my idea," Mr. Smith said of the first loan. "We needed the money right quick to promote this education program. I knew I could get my board to O.K. it."

Mr. Smith said his bank also made a series of loans for Clinton's campaigns, none for more than \$100,000. All were repaid, he added.

Mr. Smith, who also served as Mr. Clinton's finance chairman, said he did not believe any of the donations that went toward repaying the campaign loans exceeded the \$1,500 campaign limit. Some of the donations to promote Mr. Clinton's legislation were higher, including one for \$25,000 from a TCBY executive.

Cigarettes Under Fire: A Plan to Kick the Kick

By John Schwartz

Washington Post Service

WASHINGTON — Two prominent tobacco researchers have proposed a system for gradually reducing the amount of nicotine in cigarettes to render them nonaddictive.

According to the plan published in Thursday's issue of The New England Journal of Medicine, the Food and Drug Administration — which is considering the regulation of cigarettes as drugs — would require manufacturers to reduce the amount of nicotine in cigarettes over "perhaps 10 or 15 years" to a target dose of 0.17 milligrams per cigarette. That is about one-sixth the nicotine of the average of today's cigarettes.

The researchers, Neal L. Benowitz of the University of California at San Francisco and Jack E. Hemingsfield of the National Institute on Drug Abuse,

based their proposal in part on the people they called "chippers," the 10 percent of smokers who consumer fewer than five cigarettes a day and generally do not appear to be addicted.

The researchers calculated the average amount of nicotine in these nonaddictive smokers' bodies and then determined how much nicotine could be allowed in a cigarette to maintain similar levels among those who smoke 30 cigarettes per day.

Although smokers might try to compensate for the loss of nicotine by smoking more, Mr. Hemingsfield said, sufficient reduction of nicotine in cigarettes would require smokers to consume 30 or more cigarettes to get the same amount of nicotine found in three or four today — more effort than most smokers would be willing to make.

The vast majority of smokers begin in their teens, and two-thirds of smokers say that they would like to quit. The low-nicotine cigarettes would keep young experimenters from getting hooked, Mr. Hemingsfield said. He added that those smokers could decide later whether to continue smoking based on taste, not on addiction.

The Food and Drug Administration announced in February that it was considering tobacco regulation, and Commissioner David A. Kessler has said that regulation might take the form of a gradual lessening of nicotine levels.

Walker Merriman, a spokesman for the Tobacco Institute, called the article "an op-ed piece rather than a study" that was "attempting to establish a framework for FDA-designed cigarettes."

Initial DNA tests failed to identify Mr. Simpson's blood on a glove found at his estate, although it could have come from two murder victims, The Associated Press reported, quoting a source close to the investigation.

The source disputed the interpretation of the DNA findings reported by a Los Angeles television station that said that blood tests showed a "strong probability" of a DNA match with Mr. Simpson.

Prosecutors have deferred announcing a decision on whether to bring charges against Mr. Cowlings.

■ DNA Results Disputed

Initial DNA tests failed to identify Mr. Simpson's blood on a glove found at his estate, although it could have come from two murder victims, The Associated Press reported, quoting a source close to the investigation.

When it was over, the police

Franklin First for Greenback Face-Lift

By Bill McAllister

Washington Post Service

WASHINGTON — Terrorists and high-tech office copying machines are forcing Uncle Sam to change the greenback.

Treasury officials have announced the most dramatic changes to the nation's currency since 1929. Overseas counterfeiting, linked by some lawmakers to terrorist gangs, and a new generation of sophisticated color copying machines have made America's paper money too easy to duplicate, the officials said.

Although smokers might try to compensate for the loss of nicotine by smoking more, Mr. Hemingsfield said, sufficient reduction of nicotine in cigarettes would require smokers to consume 30 or more cigarettes to get the same amount of nicotine found in three or four today — more effort than most smokers would be willing to make.

To complete the three-dimensional effect, there will be a pattern of wavy lines that look normal to the human eye but

appear blurry when reproduced on a copying machine.

The Clinton administration pledged to begin making the changes as early as 1996. Some members of Congress have pleaded for the changes for years, saying terrorist organizations backed by Syria and Iran have flooded currency markets with upwards of \$1 billion in fake Franklin.

Final designs for the new \$100 bills will not be unveiled until next year and it will probably be the following year before they go into circulation. Frank N. Newman, undersecretary of the Treasury, told the House Banking Committee.

Changes to other bills, including the \$1, will come later and most likely will not be as extensive.

Treasury officials promised not to change any of the subjects on the nation's currency. Washington will remain on the dollar, Lincoln on the \$5, Hamilton on the \$10 and Jackson on the \$20. New security threads will be placed in

the bills and they will be printed on paper carrying a translucent watermark image of the same individual in the portrait.

Officials repeatedly pledged not to "recall, devalue or demonetize" any bills in private hands.

International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Murder Is Murder

The Bangladeshi writer Taslima Nasrin is in hiding, on the run from would-be assassins. And the government of her country, rather than protecting her safety, has brought criminal charges of blasphemy against her and publicly implied that Islamic militants are justified in seeking her death.

In an extraordinary letter in *The Washington Post* on Tuesday, the Bangladeshi ambassador to the United States, Humayun Kabir, suggested that the actions against Ms. Nasrin were in accordance with "secular" blasphemy laws and that "democratic government has an obligation to respond to popular anguish and resentment" by seeking to punish offensive speech. He adds that "voices are being raised" for making blasphemy punishable by death, as in other countries capital punishment is provided by law for other serious offenses against society."

Both the charges and the death threats, including a \$10,000 reward offered for her head by radical clerics, stem from the accusation that Ms. Nasrin, a 32-year-old feminist writer and doctor, made comments offensive to Islam in an interview with a newspaper in India.

Ms. Nasrin has denied she made the comment attributed to her that the Koran, the Muslim holy book, should be "thoroughly revised." She has, however, criticized aspects of Islamic law and in particular its treatment of women. That appears to have made her a target and a

symbol for religious extremists, although those knowledgeable about Bangladesh say that other such criticism of Islam has gone relatively unnoticed there in the recent past.

Ms. Nasrin is not just a female Salman Rushdie but one of a growing list of writers and other figures targeted by extremist Islamic forces for death because they dare to make comments viewed as "secularist." Nor are the threats empty; the list of those killed for unacceptable writings is lengthening, too. It includes Farag Foda, the Egyptian journalist assassinated in 1992 for a newspaper column critical of fundamentalists; a dozen or so Algerian intellectuals killed in the last year; and several more who died in a fire at a conference in Sivas, Turkey, set by Islamic mobs seeking the death of the poet Aziz Nesin, who survived the blaze.

It is worth noting that these terror campaigns are unfolding not in countries that have installed conservative Islamic regimes but in countries where conservative Islamic forces are struggling either politically or militarily with more moderate and secular governments. Bangladesh, with its female prime minister, has generally been viewed as having such moderate government, which may explain the ambassador's attempt to characterize the persecution of a writer as "secular."

It won't wash. Murder is murder.

—THE WASHINGTON POST.

France Helps in Rwanda

Grant France this much credit for its risky armed intervention into the genocidal civil war in Rwanda. Some 2,500 French troops moved into Rwanda, saved lives and created a safe area in the southwest, and are now poised to withdraw. This decisiveness contrasts with the inability of Washington and the United Nations to speed promised armored personnel carriers to Africa for use by 500 Ghanaian peacekeepers scheduled to replace the French soldiers.

The United Nations is being billed \$10 million for these rented vehicles, which arrived after weeks of paperwork delay only to face fresh delays for lack of trained Ghanaian drivers. The world body should try again next time.

To be sure, France's lightning response hardly allays the suspicion that President François Mitterrand is trying to save his friends and France's former clients in a Hutu-led regime which is being routed by rebels led by minority Tutsis. Now that the capital, Kigali, has fallen to insurgents, the safe area may serve as a sanctuary for what is left of a regime blamed for slaughtering hundreds of thousands since April 7, the day after Rwanda's president was killed in a mysterious air crash.

Still, thousands of civilian lives were saved by the French intervention. Only France was able and willing to act. The French appear to be honoring their promise to withdraw in two months as an all-African peacekeeping force takes over. And on Monday, Prime Minister Edouard Balladur came to the United Nations and vowed to punish genocidal killers and to provide the United Nations with evidence of war crimes; if

France delivers, Mr. Balladur can indeed call the mission a success. Meantime, it is apparent that identity cards originally issued by Belgian colonial administrators decades ago have become the equivalent of the Star of David in Hitler's Reich. As Raymond Bonner has reported in *The New York Times*, there is no certain physical distinction between Hutus and Tutsis, who speak the same language and have extensively intermarried. The identity cards can be a death certificate when militia members pull passengers from cars and buses. Abolishing these cards seems an essential preliminary to ending genocidal killings fomented by vicious radio broadcasts.

Rwanda's torment underscores the difficulty of stopping savage conflicts within national frontiers. Lighly armed peacekeepers cannot enforce truces if belligerents decide otherwise. Yet surely the world can find more ways to make plain its disgust.

In the case of Rwanda, it is a scandal that a diplomatic representative of a phantom regime credibly accused of mass murder sits on the Security Council as an African delegate. Moreover, in accord with automatic rotation, the Rwandan is due to be the council's president when the General Assembly convenes in September. The simple solution would be for the envoy in question to skip his turn in order to preclude so cruel a farce. Should he refuse, the Clinton administration could partly atone for its bumbling over those armored carriers by getting the Security Council to waive its rotation rules.

—THE NEW YORK TIMES.

Avalanche of Subsidies

If the U.S. Congress fails to pass the new worldwide trade agreement, it will find itself tugged irresistibly toward piecemeal protectionism. Broad legislation asserts broad national interests. In its absence, specific grievances turn into political causes at great cost to consumers and the country. One good example is the current quarrel with Canada over its exports of wheat into the United States.

The trouble begins in Europe, which subsidizes its agriculture enormously and dumps the resulting surpluses in foreign markets. To match the European competition, the United States also subsidizes its exports. Those subsidies, together with a poor crop last year because of the floods, have created a shortage of some types of wheat in the United States. The shortage is being filled by Canadian wheat, which American farmers vehemently argue is being unfairly subsidized by the Canadian government.

A dispassionate economist would say that all of these governments are wasting a lot of money on competing subsidies and that these disputes are being generated by the difference in these farm price support systems. One spokesman for American farmers, Senator Kent Conrad, a North Dakota Democrat, would like to try to harmonize the American and Canadian price support systems to form an alliance against the Europeans. But in the

meantime, he and others in Congress are pressing Bill Clinton to take action.

Last fall the president asked the International Trade Commission, a U.S. government agency, to look into the wheat case. A few days ago its six commissioners announced that, with varying degrees of enthusiasm, they agreed that Canadian wheat imports are having at least a small impact on farm programs in the United States. Legally, that permits the president to impose quotas on Canadian wheat. The effect would be to push up wheat prices and food costs — not an unmixed blessing.

The world trade agreement, produced by the recent Uruguay Round of negotiations, would do a lot to help rationalize farm trade. It would limit subsidies and ban import quotas — in most cases a huge plus for American farmers, who are generally exporters. That in itself would not settle the Canadian case. But the agreement would greatly expand an international code of law requiring similar violations to be handled similarly, as in the American court system. It would apply the same rules to imports as to exports. Without that kind of discipline, foreign trade is going to be riddled with concessions to special pleaders — disruptive, inflammatory, costly to the country but hard for government to resist.

—THE WASHINGTON POST.

International Herald Tribune
ESTABLISHED 1897
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen
RICHARD MCLEAN, Publisher & Chief Executive
JOHN VINCOUR, Executive Editor & Vice President
• WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and
CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor
• ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor
• RENE BONDY, Deputy Publisher • JAMES MCLEOD, Advertising Director
• JUANITA I. CASPARI, International Development Director • ROBERT FARRELL, Circulation Director, Europe
Directeur de la Publication: Richard D. Simmons
Directeur Adjoint de la Publication: Katharine P. Duran

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 9251 Neuilly-sur-Seine, France.
Tel.: (1) 46-379310. Fax: (1) 46-371051. Adm: 46-375212. Intercom: DHT@eurocome.
Editor for Asia: Michael Behar, 5 Camberwell Rd., Smethwick, West Midlands, B6 5JL, Tel: (0121) 774-2324.
Msc. Dir.: Ann Bell D. Knopf, 80 Gloucester Rd., London, SW1X 9BT, Tel: 0171-580-1790.
Gen. Mgr. Germany: T.S. Miller, 15, 6024 Frankfurt, Tel: 069-72-72-10.
Gen. Mgr. France: Michel Conn, 159 Third Ave., New York, NY 10012, Tel: (212) 753-3881. Fax: (212) 753-2785.
U.K. Advertising Office: 63 Long Acre, London WC2, Tel: 0171-836-1002. Fax: 0171-240-2254.
U.S. Adm. Capital Dr. 1200 15th St., N.W., Washington, DC 20005. Commisioner: Part No. 61557.
1944 International Herald Tribune. All rights reserved ISSN 0244-4002.

Dear Taslima, It Is Not You Who Has Done Wrong

By Salman Rushdie

This is an open letter from Salman Rushdie to Taslima Nasrin, a Bangladeshi physician, newspaper columnist and author of the novel "Shame" who is under death threats from Muslim clerics and faces criminal charges from the government for allegedly criticizing the Koran. Mr. Rushdie, who has been in hiding since being sentenced to death by Iranian religious leaders in 1989, is organizing an international protest on Ms. Nasrin's behalf by other prominent writers.

ists against their own history, their own civilization, their own values.

It is the treasure house of the intelligence, the imagination and the word that your opponents are trying to loot.

I have seen and heard reports that you are all sorts of dreadful things — a difficult woman, an advocate (horror of horrors) of free love. Let me assure you that those of us who are working on your behalf are well aware that character assassination is normal in such situations, and must be discounted.

And simplicity again has something valuable to say on this issue. Even difficult advocates of free love must be allowed to stay alive, otherwise we would be left only with those who believe that love is something for which there must be a price — perhaps a terrible price — to pay.

Taslima, I know that there must be a storm inside you now. One minute you will feel weak and helpless, another strong and defiant. Now you will feel betrayed and alone, and now you will have the sense of standing for many who are standing silently with you.

Perhaps in your darkest moments you will feel you did something wrong — that those demanding your death may have a point. This of all your goblins you must excuse first. You have done nothing wrong. The wrong is committed by others against you.

You have done nothing wrong, and I am sure that one day soon you will be free.

The writer is author most recently of "Imaginary Homelands." He contributed this open letter to *The New York Times*.

I AM SURE you have become tired of being called "the female Salman Rushdie" — what a bizarre and comical creature that would be! — when all along you thought you were the female Taslima Nasrin. I am sorry my name has been hanging around your neck, but please know that there are many people in many countries working to make sure that such sloganizing does not obscure your identity, the unique features of your situation and the importance of fighting to defend you and your rights against those who would cheerfully see you dead.

In reality it is our adversaries who seem to have things in common, who seem to believe in divine sanction for lynching and terrorism. So instead of turning you into a female me, the headline writers should be describing your opponents as "the Bangladeshi Iranians."

How sad it must be to believe in a God of blood! What an Islam they have made, these apostles of death, and how important it is to have the courage to dissent!

Great writers have agreed to lend their weight to the campaign on your behalf: Czeslaw Milosz, Mario Vargas Llosa, Milan Kundera and more. When such campaigns were run on my behalf, I found them immensely cheering, and I know that they helped shape public opinion and government attitudes in many countries.

You have spoken out about the oppression of women under Islam, and what you said needed saying. In the West, there are too many eloquent apologists working to convince people of the

fiction that women are not discriminated against in Muslim countries or that, if they are, it has nothing to do with the religion. The sexual mutilation of women, according to this argument, has no basis in Islam. This may be true in theory, but in many countries where this goes on the mullahs wholeheartedly support it.

And then there are the countless crimes of violence within the home, the inequalities of legal systems that value women's evidence below that of men, the driving of women out of the workplace in all countries where Islamists have come to or even near to power.

And even if you did say that the Koran should be revised to remove its ambiguities about the rights of women, and even if every Muslim man in the world were to disagree with you, it would remain a perfectly legitimate opinion, and no society which wishes to jail or hang you for expressing it can call itself free.

Simplicity is what fundamentalists always say they are after, but in fact they are obscurantists in all things.

What is simple is to agree that if one may say "God exists" then another may also say "God does not exist"; that one may say "I loathe this book" then another may also say "But I like it very much."

What is not at all simple is to be asked to believe that there is only one truth, one way of expressing that truth, and one punishment — death — for those who say this isn't so.

As you know, Taslima, Bengali culture — and I mean the culture of Bangladesh as well as Indian Bengal — has always prided itself on its openness, its freedom to think and argue, its lack of bigotry. It is a disgrace that your government has chosen to side with the religious extre-

misists against their own history, their own civilization, their own values.

It is the treasure house of the intelligence, the imagination and the word that your opponents are trying to loot.

I have seen and heard reports that you are all sorts of dreadful things — a difficult woman, an advocate (horror of horrors) of free love. Let me assure you that those of us who are working on your behalf are well aware that character assassination is normal in such situations, and must be discounted.

And simplicity again has something valuable to say on this issue. Even difficult advocates of free love must be allowed to stay alive, otherwise we would be left only with those who believe that love is something for which there must be a price — perhaps a terrible price — to pay.

Taslima, I know that there must be a storm inside you now. One minute you will feel weak and helpless, another strong and defiant. Now you will feel betrayed and alone, and now you will have the sense of standing for many who are standing silently with you.

Perhaps in your darkest moments you will feel you did something wrong — that those demanding your death may have a point. This of all your goblins you must excuse first. You have done nothing wrong. The wrong is committed by others against you.

You have done nothing wrong, and I am sure that one day soon you will be free.

The writer is author most recently of "Imaginary Homelands." He contributed this open letter to *The New York Times*.

Rwanda: The French Intervention Is Useful but Is Not Enough

By William Pfaff

PARIS — France's gamble that it could intervene usefully in Rwanda without provoking the bloody fiasco that overtook the United Nations and U.S. interventions in Somalia has succeeded. The allied and African governments that opposed or condemned the French undertaking owe Paris an apology. They also owe those helped by France a new effort, right now, to see that a sequel to the Rwandan tragedy does not follow in neighboring Burundi.

Despite the professionalism and knowledge of the terrain that the French have displayed, they began with a serious misapprehension that had to be corrected after forces already were committed.

Hence the French effort had to be turned into a rescue operation for Tutsis fleeing Hutus, while the Hutu population itself was in flight from the advance of the Uganda-based Tutsi rebel force, the Rwandan Patriotic Front.

The front's army, in the regions

conducted itself with discipline and a willingness to deal with moderate Hutus, naming a Hutu to be prime minister in the government that the front intends to set up. However, legitimately or otherwise, some question the true character of the front, largely made up of descendants of Tutsi refugees driven into exile in Uganda in the 1950s and '70s.

Its rigid discipline and somewhat mysterious leadership have evoked memories of the Khmer Rouge. Nothing that it has done since invading Rwanda has justified those fears. Quite the contrary. But the fears influenced French policy.

Many of those implicated in the Hutu-instigated massacres have taken refuge in the French-controlled zone, requiring another

field decision by the French. They now dismiss militias and civilians and are keeping the Hutu military refugees under surveillance. They are also collecting evidence on the atrocities, as Prime Minister Edouard Balladur told the UN Security Council on Monday, to be turned over to a UN human rights inquiry.

Mr. Balladur urged that UN forces rapidly take over, and appealed to international agencies to help the French army deal with refugees and the wounded in the zone now under its control.

These have held back because they saw the intervention as politically tainted.

The reason for that is the following. France has found itself, for better or for worse, the post-colonial power in French-speaking Rwanda and Burundi, both originally German colonies, awarded

to Belgium after World War I. In recent years Paris supported the dominantly Hutu government in Rwanda, intervening militarily in 1990 against the Patriotic Front's first invasion from Uganda.

Why is there a fundamental problem here that the events of recent weeks have worsened, and which risks producing a new explosion of violence in Burundi?

The struggle between Hutu and Tutsi is not simply an ethnic rivalry. The spectacularly tall, cattle-raising Tutsis historically were the rulers of both countries. They are a Caucasoid people who arrived in the region four centuries ago, probably from Ethiopia, to subjugate the peasant Hutus.

Germany kept this Tutsi-dominated feudal structure in place when it occupied the area in 1890. Belgium had second thoughts only shortly before Rwanda and Burundi gained independence, under UN pressure, in 1962. There was a Hutu uprising in Rwanda in 1959-1960, bringing them to power, while in Burundi, thanks to Tutsi domination of the military, the Tutsis continued to rule, even after independence.

The present fighting therefore must be seen as a class struggle as well as an ethnic war. And the question that must be asked is whether the Rwandan Patriotic Front, representing 14 percent of a bitterly divided and mutually murderous population, can lastingly reimpose its rule over the rest. Restoration of democracy would simply put it back out of power. This consideration partially explains France's past support for the Hutu government.

Today the provisional president of Burundi is Hutu while the army is Tutsi. Since the assassination of the presidents of both countries on April 6, which launched the massacres in Rwanda, Burundi has undergone a desperately tense but thus far peaceful succession struggle between extremists in both ethnic camps. The fear today is that the rivalry will not stay peaceful but will end in massacres like those in Rwanda.

In principle, what is necessary now is redeployed humanitarian help for the refugees wherever they are. Next is a United Nations force to take over from the French, to make plain the disinterested nature of the internal effort. Third is prosecution of those who instigated and committed genocide. Fourth is diplomatic action and, if possible, an international presence in Burundi, to deter a genocidal explosion there.

Of these four desiderata, only the first and — with delays and without grace — the second are likely to be supplied by the international community.

International Herald Tribune.

© Los Angeles Times Syndicate.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Railway Strike

NEW YORK — Eugene Debs's proposal to call the Pullman Company strike off if the men were reinstated was returned to him unopened and unanswered. The railway managers unanimously resolved to hold no communication with the men who waged war on the

OPINION

Ukraine's Dangerous Divide

By Misha Glenny

SKOPJE, Macedonia — The inauguration of President Leonid Kuchma on Tuesday will represent a leap into the dark for Ukraine. He denied on Wednesday that he ever wanted to make Ukraine "part of the Russian empire," but Western diplomats in Kiev worry about a resurrection of political ties between the two largest Slav nations, because western Ukraine would fiercely resist such a move.

And if "Ukraine ruptures," a senior diplomat said, "the whole of Central Europe and the Black Sea region goes up with it."

In his election campaign, Mr. Kuchma did not explicitly call

The western region is committed to a unitary state with a Ukrainian consciousness. The east barely considers Russia a foreign country. A rupture could shake all of Central Europe.

for reintegrating Ukraine with its former master. But he promised closer economic cooperation with Russia to ease the privations in his own constituency, the Russian-speaking, heavily industrialized eastern Ukraine.

Mr. Kuchma pledged in a news conference Wednesday to reduce taxes: "We are crushing producers. We must ease the pressure on them."

Contrary to the claims of the defeated president, Leonid Kravchuk, whom many blame for the country's dire economic performance since it became in-

wisdom. He is keenly aware of the deep suspicion of him in western Ukraine.

In Lvov, the western capital, Volodya Pankiev, editor of Post-Post, Ukraine's finest liberal weekly, said, "Kuchma's victory will prompt a further radicalization of nationalist sentiment here."

Mr. Kuchma must therefore avoid any temptation to federalize Ukraine — that is, devolve powers to the regions at the expense of the government. He has flirted with the idea, which has considerable support in the east, but has not unreservedly committed himself to it.

Federalization would heat up the political temperature in the west and greatly complicate economic reform.

Politicians in Lvov insist that federalization would provoke a breakup of the country and increase chances of a civil war or Russian-Ukrainian war.

Although Mr. Kravchuk displayed cunning in transforming the election campaign into a virtual referendum on independence, his strategy failed, because of his appalling economic record. Living standards have plummeted. The average monthly wage is \$80. Industrial production has dropped as much as 50 percent. The east, where heavy industry is concentrated, is especially hard hit.

Ukrainian officials have prattled endlessly about the need for reform. Surrounded by countries that are pursuing more vibrant economic modernization, Ukraine is becoming the sick man of the region.

Mr. Kravchuk, who had been ideology secretary of the Communist Party, remained an uncommitted Communist, interested not so much in reform as in preserving or adapting economic structures dating from the Soviet period. His policies



sustaining the privileges of the old bureaucracy discouraged the development of a market economy and drove entrepreneurs into the underground economy.

Alexander Pashkov of the independent Center for Economic Reforms, in Kiev, says half of all economic activity is illegal. Ironically, the underground economy has developed impressive capitalist practices.

But Mr. Kuchma faces a major obstacle if he acts to legalize and regularize reform: his own parliament. Such a change would force a constitutional showdown because of the blurred lines of authority between parliament and president.

On Monday, Mr. Kuchma

called for a new constitution to replace the Soviet one and consolidate presidential power.

Parliament's neo-Communist speaker, Oleksandr Moroz, is leading a campaign to reduce that power. This is likely to produce a collision with the Communists, the dominant bloc, who want to preserve their influence.

Mr. Kuchma is eager to enlist

Western help, and this week he got some. The decision of the Group of Seven industrialized democracies to give Ukraine \$4 billion in assistance to stabilize the economy was timely and wise. The offer is conditional on the passage of reforms.

Whatever lumps the Clinton

administration is taking for its Bosnia policy, it is showing maturity in its policy toward Ukraine. It is developing a large embassy staffed by very competent Foreign Service officers in Kiev. And to avoid antagonizing Moscow, it sensibly recognizes the primacy of Russia-Ukrainian relations.

The Group of Seven's pledge gives Mr. Kuchma an incentive to get down to serious business. If he does not or cannot, the alternative — economic collapse and the disintegration of Ukraine — will be a nightmare.

The writer, author of "The Fall of Yugoslavia," contributed this comment to The New York Times.

LETTERS TO THE EDITOR**Dealing With Disorder**

Regarding "Back to History as Usual, Which Means Genuine Complexity" (Opinion, July 7) by Speedy Pfaff:

Mr. Pfaff's assessments are usually right on the mark, but in this piece, he seems to lose heart. He sets forth several possibilities for a "common theme" for coordinated action by the big democracies in dealing with a changed and troubling world but in the end, dismisses them all (rightly) and tells us (wrongly) that "living with complexity" is very hard. We are back to the "usual disorder of history" and we'll have to get used to it, presumably using the same bad old tools.

Mr. Pfaff neglects to mention one broad vision for the new era which he treated (*IHT*, June 26, 1991) in reporting James Baker's call in Berlin for a "commonwealth of democracies." And Anthony Lake, the national security adviser, said last August that the Clinton administration's policy is to "enlarge the community of market democracies."

Nice words by two administrations, but so far just words. Isn't it time to ask what this idea of "commonwealth" or "community" should mean today, and then to chart out a broad new set of principles, institutions and programs for the democracies sufficient to the tasks ahead?

Surely a robust "common theme" should combine democracy (which Mr. Pfaff mentions) as the only solid base on which to build domestic stability of states, so that they are capable of taking full part in a new international order.

The second pillar of a new "common theme," coupled with the democracy principle, should be community building — something the West has shown great talent for in the Cold War years, and which now requires amplification and a new start. Experience suggests that democracy itself must be a key feature of these new institutions and processes.

In short, Mr. Pfaff is right when he says, "There is no single threat today," but wrong to add that there is no single answer. The problems are diverse and difficult. But if the long-term objective is to help build democracy and to knit the democracies together in an international system that includes them all, and which can gradually grow together with the universal system, then the policies

of dismemberment of NATO would also make Russians less apprehensive about the West's intentions, and could accelerate their movement toward a market economy, while bringing further cuts in their armed forces.

F. JOHN PAUL ANDREWES, Warsaw.

Why Americans Fight

Regarding "Bad Precedents Make for Weak American Thinking About War" (Opinion, July 7) by Jim Hoagland:

What is weak about Americans thinking about war is the lack of awareness of why and when Americans are willing to fight. Historically, Americans:

• Must see war as the last recourse. For Europeans, war has for centuries been "politics by other means."

Fight a little, negotiate a little, sometimes fight a lot. For Americans it is the failure of the Civil War that displayed a perfectly American attitude: war is absolute. A halfway approach troubles America. The Korean War was halfway but anti-Communist fervor kept it on course. Vietnam was irretrievably halfway and led to failure.

Now to Bosnia: It is a nasty, vicious war that defies rational thinking. The situation has existed for a thousand years. The moral ambiguity of the current conflict, in which Serbs are seen as the immoral perpetrators, can be seen in the Croatian use of concentration camps in World War II, where hundreds of thousands of Serbs perished.

The practical question there is whether Americans would be ruthless enough to bring order. Remember, in World War II, the Yugoslavs had one of the most ferocious and successful resistance movements, even in the face of German ruthlessness. So if Americans moved in, they would be courting failure — proclaimed by history.

ROBERT G. FILLER, London.

Fear Would Help

Regarding "France Tightens Drunk-Driving Law" (July 7):

Regarding "France Tightens Drunk-Driving Law" (July 7):

S. and C. HENZE, Neuilly-sur-Seine, France.

Voices From the Right

Regarding the comment by Michael Harrison (Opinion, July 12), it's not that "The Voices of America Are Disgusting," as the title put it, but that "The Voices of America Are Disgusting."

Skulking behind the cloak of "independence" (They're not "conservative" — heaven forbid!), Mr. Harrison stamps through the knee-jerk litany of the far right, missing only the Eleanor Roosevelt and Rodham Clinton shibboleths.

Isn't it time we called this gaggle of sermons to account?

FRANK STREICH, London.

Fear Would Help

Regarding "France Tightens Drunk-Driving Law" (July 7):

S. and C. HENZE, Neuilly-sur-Seine, France.

Knowing that French drivers must limit themselves to "one aperitif and a half bottle of wine" per meal before speeding off with virtual impunity, often well over the limit on highways of 130 kilometers per hour (80 mph), is hardly reassuring to our family as we venture onto the roads of this beautiful country. The best incentive for safe driving is fear of getting caught, but rarely do we see police on the road. Why not beef up their presence or establish a true "police de la route"? The cost could be offset by revenue from fines and indirectly by reduced unemployment and decreased social costs related to traffic accidents, now quite enormous.

In fact, one of the important books about network news, "Air Time: The Inside Story of CBS News," by Gary Paul Gates in 1978, recounts meeting after meeting in which CBS bosses decided what to do each night about the stories in the morning's New York Times. Like me as a kid, they still didn't believe it unless it was in print.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

CROSSWORD

ACROSS

- 1a Half man, half goat of myth
- 1b Disturbance site
- 5a Reserved
- 14 Flag
- 15 Book by T. Washington, e.g.
- 16 Failed of the Sun Dies
- 17 Overshadow

34 Spike as Eager expectant Variety

35 J.F.K. biographer

36 Rhapsodic

37 Itinerary word

38 Hag's cry

39 Zith

40 J.F.K. portraitist

41 Spike as Eager expectant Variety

42 Grand

43 Overlays

44 Correlation ratio symbol in statistics

45 Fall (ancient Irish stone)

46 British actress Bartok

47 Where runs are made

48 Sweet 16 org.

49 Cow

50 Decking out

51 In the background

52 G.W.T.W. role

53 Permit

54 Belting belief

55 Followers

56 Driving hazard

48 Lime finishes

49 Opponent of Jimmy and Arthur

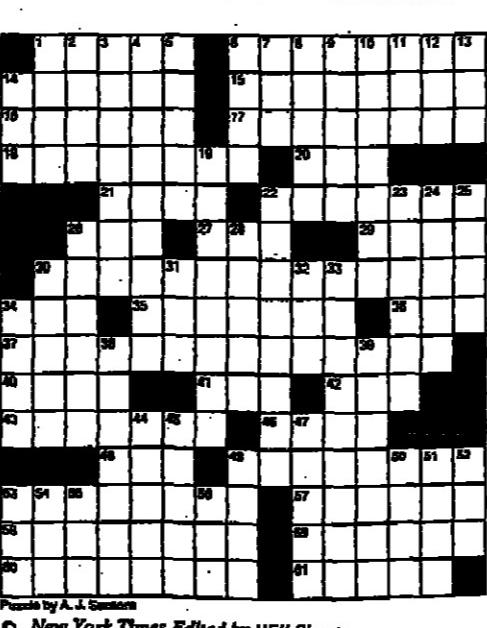
50 Vespasy

51 Campuses facility

52 Ice cream

53 Traffic caution

54 Time abroad



Solution to Puzzle of July 14

STALEMATE CRAB
ASIAN MINOR PHONE
GARGANTUA LAUDS
ARSONIST BUNGEE
AMY SUGGESTED
VISITS MARIE
ALINE DOMINATED
SLAV PYLON BOLD
ESMERALDA BLEED
TOGAS FRESCO
CAVENIEN HUE
OMORES DISPOSED
MACAO PINEAPPLE
THAT'S UNDERTAKEN
ELLE POSSESSED

1a Guarded

2a Seed covering

3a Drudgery

4a Dell order

5a Bestrides

6a Son of Cedric the Saxon

7a Conductor de Wear

8a Breezabeket

9a Less hospitable

10a Bar

11a Trevi coin count

12a Nuttifer

13a Altimeter, Calif.

14a One way to get the blame

22a Sinister part?

23a Heads of ancient Rome

24a Designer Simpson

25a Escapade

26a Red-eyed birds

27a J.F.K. Library archited

28a Rodeo yell

29a Marquis

30a Hirobumi

31a Average name

32a Trial

33a Delicate

34a Anodynes

35a Son of Cedric the Saxon

36a Lime finishes

37a Opponent of Jimmy and Arthur

38a Vespasy

39a Campus facility

40a Ice cream

41a Traffic caution

42a Time abroad

43a Campuses facility

44a Ice cream

45a Traffic caution

46a Time abroad

47a Campuses facility

48a Ice cream

49a Traffic caution

50a Time abroad

51a Campuses facility

52a Ice cream

53a Traffic caution

54a Time abroad

55a Campuses facility

56a Ice cream

57a Traffic caution

58a Time abroad

Both sides were vulnerable. The bidding:

East

South

West

North

1C

2C

3C

Pass

Pass

Pass

Pass

Pass

Pass

Pass

Pass

Pass

West led the heart seven.

He also takes his compatriots

A Sad Announcement On the Death of Print

By Richard Reeves

EASTHAMPTON, New York — The question on the table during dinner the other night was "The end of print?" More precisely: "When exactly did television replace newspapers as the dominant medium in American journalism?"

Where you stood on that question, asked during an easy summer dinner of old friends, depended on where you sat.

I thought the shift did not come until the late 1970s, when

MEANWHILE

satellite transmission gave the networks the ability to broadcast live from almost anywhere where they could send in cameras. But perhaps I just represented the newspaper addicts who, like me as a kid, watched Yankees-Dodgers World Series games on television then rushed out to buy the papers see what we saw really happened.

Bill Beutel of WABC-TV in New York, the big town's most enduring anchor, said he thought the changeover came much earlier, at the beginning of the 1960s, when President John Kennedy exploited and exalted the new medium with live press conferences — bypassing the old duds of Washington journalism, men who won Pulitzer Prizes for "exclusive" presidential interviews. If he does not or cannot, the alternative — economic collapse and the disintegration of Ukraine — will be a nightmare.

The Group of Seven's pledge gives Mr. Kuchma an incentive to get down to serious business. If he does not or cannot, the alternative — economic collapse and the disintegration of Ukraine — will be a nightmare.

Mr. Brill said that for him, a print fanatic who has The New York Times sent by Federal Express if he cannot find it on a local newsstand, the end of the era came during the Gulf War three years ago.

"I watched CNN and I realized there was no reason to read The Times's war coverage," he said. "Who cares what happened 12 hours ago, when you're looking at what's happening now?"

Not exactly. What we were looking at then was what the government allowed us to see. Then, with reporters locked in hotel ballrooms, hostages of military briefing officers, the print-to-electronic cycle was completed.

It was exactly the reverse of the old days. Print was reduced to reporting on what was on television the day before. Pen-tagon-controlled television.

So, what Mr. Brill and I were talking about went beyond the death of print. Norman Schwar

44 SUR E

Sea Breeze in Biarritz Restaurant

By Patricia Wells
International Herald Tribune

BIARRITZ, France — It's country to city for Didier Oudill, as he leaves his charming village hotel-restaurant, *Pain Adour et Fantaisie*, in *Grenade sur l'Adour*, for a big city restaurant in the seaside town of Biarritz. Since the first week of June, this Paris native has been working his magic at the stove at the bright *Café de Paris*, huge old-fashioned hotel-restaurant overlooking a parking lot, and the Atlantic Ocean just beyond.

Oudill, now 40, has been at the stove since the age of 14. He worked at Michel Guérard's famed *Pot au Feu* in the Paris suburb of Amélie, then spent 10 years at Guérard's second in Eugénie-les-Bains. He opened his own restaurant in *Grenade sur l'Adour*, in the Landes, in 1987.

The track record is illustrious, and Oudill does not disappoint. Much in the vein of Joel Robuchon or Alain Ducasse, Oudill's food is intensely flavored. So much so that in some dishes, you feel as though your eyes will loosen from their sockets; the food is so powerful that your palate harbors the flavors for hours to come.

His thoughts are all over the map, and his food copies no one. A meal might begin with a huge oyster set upon a bed of salmon roe puree, a bit of jellied oyster liquor, and a touch of salmon roe. Like a fresh sea breeze that slaps you in the face.

Oudill is in love with the region, and of course that means fish and shellfish, so the new menu is dotted with bonita (a leaner, white-fleshed relative of blood-red bluefin tuna), *merlu* (hake, which only locals and Basques seem to know how to cook), giant fresh shrimp, *chirivies* (the tiny, prized cuttlefish), baby local *littéter* (mackerel) as well as monkfish, fresh anchovies and salmon. Fava beans, local sheep's milk cheese, almonds and caramel fill out the regional shopping list of ingredients.

My favorite dish of the day was his giant fresh crovets grilled ever so simply, topped with a brilliant fresh fennel *escabeche*, a sauce reduced to a spicy essence. The shrimps are extraordinary, with their rich, iodine freshness, dense, firm, and full-flavored, plucked from the sea just hours before. As a play on texture, color, and flavor, Oudill does the dish with tiny beads of fresh *bresaola*, or sheep's milk cheese, rolled in paprika.

As a close second to the giant shrimp,

he offers a forward-tasting marriage of moist flaky grilled hake, lovely fresh fava beans, intense *mousseron* mushrooms, all topped with the Basque paprika-rubbed *bacon*, the cured and smoked pork shaped like giant, yard-long sausages. Not surprising, the red, white and green colors of the dish mimic the colors of the Basque flag.

Only his pastry disappoints: He intentionally favors undercooked or lightly cooked pastry, a custom I find takes away from the glory of a potentially lovely dish. But it's hard to beat his lavender ice cream, loaded with tiny grains of vanilla, served with a richly flavored apricot crumble, set of a base of apricot jam.

The menu changes every few days, with a special 175-franc menu that offers most of his finest dishes. Diners looking for a more casual meal might try the terrace brasserie, *Bistro Bellevue*, where the 135-franc menu features such simple Oudill fare as oysters in their shells, fresh sardines, roast lamb cutlets, and a warm apple tart.

Café de Paris, 5 Place Bellevue, 64200 Biarritz; tel: 59 24 19 53. Open daily. Credit cards: American Express, Visa. 175-franc menu. *A la carte*, 250 to 300 francs, including service but not wine.

THE ARTS GUIDE

AUSTRIA

Vienna
Kunsthistorisches Museum, tel: 52-177, closed Mondays. To Oct. 30: "Albrecht Dürer." Eight paintings documenting the German master's artistic development, from before his second Italian trip to his late works. Also illustrates the painter's broad range of subjects, small intimate devotional images, portraits and large altar paintings.

BRITAIN

London
British Art Gallery, tel: (71) 638-4141, open daily. To Sept. 4: "Who's Living in Your Family?" European and North American photographers let us peer into bedrooms and bathrooms, refrigerators and cupboards, and into the relationships which make a family.

Courtauld Institute Galleries, tel: (71) 873-2526, open daily. To Sept. 25: "The Samuel Courtauld Collection." The works shown were bequeathed by Samuel Courtauld to the Institute or given to friends and members of his family. Purchased between 1902 and 1939, the collection includes paintings by Cezanne, Seurat and Gauguin.

Design Museum, tel: (71) 403-6933, open daily. To Oct. 2: "Aime Jacobson: Architect and Designer." The artist designed everything from furniture to cutlery. The exhibition focuses on Jacobson's architectural vision, with pieces of furniture, textiles, fixtures as well as models of early architectural projects.

Hayward Gallery, tel: (71) 928-5260, open daily. To Aug. 22: "Bernard Le Bozec." Bernard spent the last 20 years of his life in a villa overlooking Cannes, painting landscapes and interiors. The exhibition includes 30 oil paintings and more than 40 related drawings, gouaches and watercolors.

National Gallery, tel: (71) 839-3526, open daily. Continuing: To Sept. 4: "Caspar David Friedrich to Ferdinand Hodler: A Romantic Tradition." 70 paintings and 40 drawings from a private collection of German, Swiss and Austrian art.

Royal Academy of Arts, tel: (71) 494-56-15, open daily. Continuing: To Oct. 2: "Impressionism to Symbolism: The Belgian Avant-Garde 1880-1900." 60 paintings, sculptures and reliefs illustrate the artistic revolution which took place in Belgium between 1880 and the turn of the century. Features works by Ensor, van de Velde and van Rysselberghe.

Tate Gallery, tel: (71) 887-8000, open daily. Continuing: To Sept. 4: "R. B. Kitaj: A Retrospective." 80 paintings and 40 drawings by the British figurative painter.

Whistler Art Gallery, tel: (71) 377-0107, closed Mondays. To Sept. 11: "Franz Kline: Art and the Senses." 70 paintings and 40 drawings from the American painter. Even his critics agreed the years 1947 to 1962. Kline is known for canvases using bold black strokes on white, but the show includes many works on paper, and a number of colorful works.

Oxford
The Ashmolean Museum, tel: 866-278010, closed Mondays. To Sept. 14: "Arthur Evans (1851-1941)." Life and Times. Journals, sketches, photographs and scientific drawings by Sir Arthur Evans, as well as the excavator of the palace of Minos at Knossos in Crete. The social and intellectual climate of his age are evoked by letters, sketches and photographs as well as the archaeological collections belonging to Oxford University.

CANADA

Montreal
The Montreal Museum of Fine Arts, tel: (514) 285-1600. To Sept. 11: "Jim Dine: Drawings From the Glyptic." About 60 drawings inspired by the Greek and Roman sculptures of the Glyptothek in Munich and created between 1987 and 1990.

CZECH REPUBLIC

Prague
Kinsky Palace, tel: 291-5135. To Aug. 21: "Albrecht Dürer: Prints and Drawings of His Time." Alongside woodcuts and copper-engravings by the German painter and engraver, works by his pupils, by 17th-century Dutch artists, by artists active in Rudolfin Prague and by 19th-century Czech Romantist painters.

FRANCE

Caen
Musée des Beaux-Arts, tel: 31-85-28-63, closed Tuesdays. Continuing: To Aug. 31: "Desir de Rivage." About 100 paintings by Miller, Courbet, Boudin, Seurat, Van Dongen and De Staél of Normandy beaches, cliffs and harbors.

Dijon
Musée Magnin, tel: 80-97-11-10, closed Mondays. To Sept. 11: "Dessins de Sculptures 1850-1950." Features three categories of drawings: studies for sculptures, and studies of space and movement. Includes works by Rodin and Picasso.



Detail of Caillebotte's "Pont de l'Europe," in Cologne.

ious projects in Kyoto, Nara and Tokyo.

Seravazza
Palazzo Mediceo, tel: (584) 756100, closed Mondays. To Sept. 5: "One Hundred Years of the National Sculpture Society of the United States of America." 56 works by contemporary American sculptors including abroad or in the U.S., including Stanley Bleifeld, Nathaniel Kaz, Bruno Lucchesi and Laura Ziegler.

JAPAN

Tokyo
Hera Museum, tel: (3) 3445-0651, open daily. To Aug. 21: "Arakawa Drawings 1961-1974." 56 drawings representing the work of the Japanese born artist in America. Instead of representing objects pictorially, Arakawa replaces them with words, sentences and diagrammatic grids.

SPAIN

Madrid
Museo del Prado, tel: (91) 420-28-36, closed Mondays. Continuing: To Sept. 4: "Sebastiano del Piombo." Paintings by the 16th-century Spanish artist.

SWITZERLAND

Geneva
Petit Palais, tel: (22) 346-14-33, open daily. Continuing: To End Oct. 30: "La Famille Vue par les Peintres de Bazile et Picasso." A century of French painting representing various aspects of family life, with works by Bazile, Veltz, Lhote, Laurencin and Picasso.

Lausanne

Fondation de l'Hermitage, tel: (21) 320-60-01, open daily. Continuing: To Oct. 23: "Les Peintres de Zborowski: Modigliani, Utrillo, Soutine et leurs Amis." 20 works each by Modigliani and Soutine, landscapes by Utrillo and several paintings by Kisling.

Zurich

Kunsthaus, tel: 251-67-55, open daily. To July 17: "El Blok auf Amer und Pech." From 1900 to 1905, the years of the First World War, with works by the Swiss Rocco painter Angelo Kauffmann, the French painter Edouard Picot, as well as works by David, Foss and Meynier.

UNITED STATES

Los Angeles
Los Angeles County Museum of Art, tel: (213) 857-8000, closed Mondays and Tuesdays. To Sept. 17: "Mike Kelley." 200 paintings, drawings, sculptures, photographs and multimedia installations by the Los Angeles artist. Kelley combines handicrafts,通俗 posters, hand-painted caravans, sculptures, wall hangings or installations. The exhibition will travel to Paris and Stockholm.

New York

Central Park The New York Grand Opera Company continues a seven-year presentation of all 28 of Verdi's operas in chronological order, culminating with a performance of "Otello" on the 100th anniversary of the composer's death in 1901. This summer, performances of "Nabucco" (July 20) and "Il Lombardo alla Prima Crociata" (July 27).

Ulm

Ulmer Museum, tel: (711) 161-43-12, closed Mondays. Continuing: To Aug. 28: "Impressionism: Les Origines, 1859-1869." Focuses on the influences that led young painters such as Monet, Renoir, Pissarro, Manet and Degas to Impressionism.

Israel

The Israel Museum, tel: (2) 708-611, open daily. To Sept. 12: "Shai: A Farewell for Peace." A display of artifacts from the excavations of the Sinai peninsula. Includes *naufragios*, the round stone structures that served as family tombs, painted vessels and funerary masks. These finds will be handed to the Egyptian Organization of Antiquities under the terms of the 1979 Peace Treaty.

Tel Aviv

Helena Rubinstein Pavilion, tel: 525-7196, open daily. To Aug. 16: "Bill Viola: Unseen Images." Seven video installations by the California artist including the triptych of 1992, consisting of three giant screens on which are projected images of birth and death.

ITALY

Bologna
Galleria d'Arte Moderna, tel: (51) 50-29-59, closed Mondays. To Oct. 30: "Arata Isosaki." An anthology of the work of the Japanese architect. Studies, designs and models of 23 realizations spanning from the 1960s to the 1990s, including the Los Angeles Museum of Modern Art, the National Museum of Modern Art, and the early modern period.

Essen

Villa Hügel, tel: (201) 41-39-61, open daily. Continuing: To Nov. 13: "Paris - Espace Epoque 1880 to 1910: Fascination of a World City." The Musée des Beaux-Arts, tel: 35-71-28-40, closed Tuesdays. Continuing: To Nov. 14: "Rouen, Las Cathédrales de Monet." 17 paintings from the series of views of the west portal of the Rouen cathedral painted in 1884.

GERMANY

Cologne
Wallraf-Richartz-Museum, tel: closed Mondays. To Sept. 4: "Bildwelten des Impressionismus." From the Petit Palais collection in Geneva, a selection of 80 paintings by lesser-known French Impressionist painters, including works by Caillebotte and Gustave Caillebotte and by members of the Société des Artistes Indépendants such as Maximilien Luce.

Paris

Palais Royal The Musée des Beaux-Arts, tel: 31-85-28-63, closed Tuesdays. Continuing: To Aug. 31: "Desir de Rivage." About 100 drawings by Miller, Courbet, Boudin, Seurat, Van Dongen and De Staél of Normandy beaches, cliffs and harbors.

Dijon
Musée Magnin, tel: 80-97-11-10, closed Mondays. To Sept. 11: "Dessins de Sculptures 1850-1950." Features three categories of drawings: studies for sculptures, and studies of space and movement. Includes works by Rodin and Picasso.

LOSING SOCIETY

On July 17: "La Beaux Arts: De Van Gogh à Mondrian." Musée d'Art Moderne de la Ville de Paris.

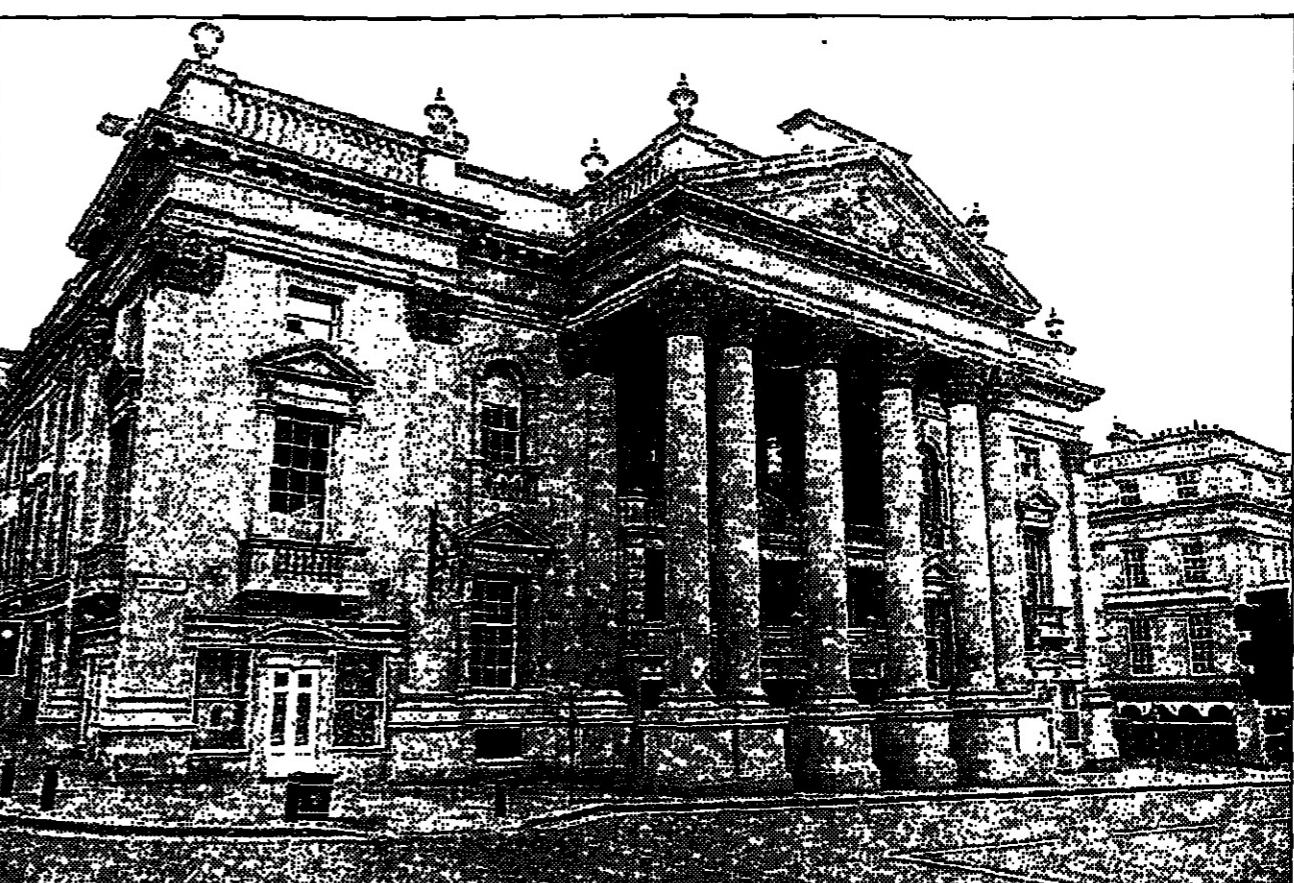
On July 17: "Tyranny of Beauty: Architecture of the Stein Era." Österreichisches Museum für Angewandte Kunst, Vienna.

On July 17: "The Unknown Modigliani." Museum Ludwig, Cologne.

On July 17: "The Golden Age of Florentine Drawing: Two Centuries of Design from Leonardo to Vollmoeller." Art Institute, Chicago.

On July 17: "Modern Japanese Paintings, Sculptures and Crafts from the Museum Collection." Tokyo Metropolitan Art Museum, Tokyo.

On July 18: "Il Mondo del Samurai." Palazzo Medici-Riccardi, Florence.



Michael Balter

Newcastle remains a museum of classical buildings, such as the Theatre Royal on Grey Street.

By Michael Balter

NEWCASTLE-UPON-TYNE, England — Up in England's northeast, they're still telling Geordie jokes. Although the exact definition of the term is often debated, anyone born in Newcastle or Tyneside, the conglomeration of neighboring towns along the Tyne River, is generally considered a Geordie. There is less agreement about the origins of the name. Some say it dates from the Jacobite Rebellion of 1745, when Newcastle barricaded its gates against Bonnie Prince Charlie's rebels and sided with King George II. Others argue that it refers to followers of George Stephenson, a 19th-century railroad pioneer who also invented a coal mine safety lamp.

But whatever the case, everyone along the Tyne knows a Geordie joke when he hears one. For example, one day Geordie was standing in a crowd in Newcastle's Big Market, listening to an orator denouncing the evils of drink. The speaker took a wriggling worm and dropped it into a glass of whisky, whereupon it quickly shriveled up and died. "I hope," said the orator, "that this has taught everyone a lesson." Geordie spoke up: "It certainly taught me a lesson, sir. If you've got worms, drink whisky."

This self-mocking humor no doubt reflects the lingering sense of inferiority that the "Northerners," as they are often called by their countrymen further south, feel in comparison with the rest of England. Political power has always radiated from London, even if historically much of England's wealth was created in the coal mines and shipyards of the north. Newcastle, long considered the capital of northeast England, has gone boom and bust so many times over the past 400 years that it has never achieved the respect normally due an industrial town of its size.

Today, Newcastle's accomplishments are more modest, as the town makes the transition from industrial powerhouse to regional banking and services center. But even when the city attracts national attention — as it has, for example, with the dramatic resurgence of its soccer team, Newcastle United — the praise sounds patronizing to some Geordie ears.

Many people here still talk about the 1960s, when Newcastle was run almost single-handedly by Labour Party leader T. Dan Smith, the nearest thing Britain has had to a Chicago-style city boss. Smith's aggressive campaign to modernize Newcastle and create a regional power center eventually led to a corruption and bribery scandal that landed him in jail.

Smith left behind a new civic center and a university, but also tower blocks and ring roads that altered irrevocably some of Newcastle's famed 19th-century architecture. Nevertheless, the city remains a museum of classical buildings. The best examples are on Grey Street, dominated by the massive columns of the Theatre Royal, and on the upper stretch of Grainger Street, where a long row of brick buildings was

replaced by dressed stone structures during the last century.

Yet architectural tastes differ, and some might find the dilapidated Edwardian and Victorian buildings of lower Grainger Street, near its junction with the Big Market, more pleasing than the cold classical relies up the road.

The Big Market is also the current site of another Newcastle tradition, the weekly ritual of pub night. This dates back to the 16th century, when one commentator lamented at the goings-on: "What dysing, carding, and mumm

Germans Join Paris Parade

Emotions Are Strong but Event Is Low-Key

By Alan Riding
New York Times Service

PARIS — Stirring painful memories among many French who lived through Germany's wartime occupation, German troops paraded down the Avenue des Champs-Elysées on Thursday for the first time in 50 years, guests of an aged French president eager to stress the reconciliation of historic enemies.

The 200 officers and men from the 10th Panzer Division, riding in armored personnel vehicles marked with a discreet German military cross, were barely noticeable among the 6,200 soldiers from four nations taking part in this year's Bastille Day parade. Only a few protests were heard.

But, while polls said around 60 percent of French approved of the invitation, some felt France's national holiday on the 50th anniversary year of the Liberation was not the right occasion for such a gesture. They also questioned the place: During the occupation, Nazi troops marched the same route daily.

Opposition came from some veterans' associations, the French Communist Party and the extreme right-wing National Front as well as from some prominent individuals, among them, former President Valéry Giscard d'Estaing and Admiral Philippe de Gaulle, son of France's wartime leader.

President François Mitterrand himself, a former Resistance fighter who, at age 77, was presiding over his 14th and final Bastille Day parade as president, said that critics of the German presence were thinking of the past. "I am looking to the future," he noted.

Mr. Mitterrand, who gives enormous weight to France's relations with Germany, invited the German troops to Paris after Chancellor Helmut Kohl was excluded from last month's ceremonies marking the 50th anniversary of the Normandy landings.

However, with the German troops parading as part of a contingent from a new five-nation Eurocorps, which is seen as the embryo of a future European army, the French president said the parade Thursday would bolster moves toward closer political union in Western Europe.

In a holiday message, he said the presence of the Eurocorps was "testimony to the shared wish of our people to build the future together." So far, France, Germany, Belgium, Spain and Luxembourg have joined the corps, which should be operational with 50,000 soldiers on Oct. 1, 1995.

Mr. Mitterrand was joined on the reviewing stand by Mr. Kohl as well as Prime Ministers Jean-Luc Dehaene of Belgium, Felipe González of Spain and Jacques Santer of Luxembourg. Mr. Kohl was accompanied by

the sons of three men linked to the failed attempt to assassinate Hitler on July 20, 1944.

The 800-member Eurocorps contingent, with its German commander, Lieutenant General Helmut Willman, leading the way in an open jeep, was the last group to take the traditional parade route from the Arc de Triomphe to the Place de la Concorde. Spanish and Belgian troops preceded the Germans and French. Luxembourg did not take part in the parade.

With tourists comprising around half the spectators, it was only when the German vehicles passed the enclosures for invited French guests, many of them veterans, that some whistles and jeers were heard. A few in the crowd wore yellow stars or concentration camp uniforms, but many also applauded as the Germans passed.

One German tourist, Robert Cohen, said he was relieved to see people applauding. "I wasn't sure the Germans should participate but, seeing this reaction, I think it's good," he said.

Significantly, Mr. Mitterrand, Socialist, invited the German troops to parade without first consulting the country's conservative prime minister, Edouard Balladur. Mr. Balladur said he "did not disapprove," but his interior minister, Charles Pasqua, was outspokenly critical.

In a television interview Wednesday, he said the timing was not appropriate. "In July 1944, Paris was paying a pretty heavy tribute for its liberation," he said. "The soldiers who will be parading won't be the same, but I understand that this can upset people."

But it was former President Giscard d'Estaing's reaction that made the most impact. On television, he said it was coming "too soon" and, weeping, he added: "In 1944, every morning I heard the sound of boots of Nazi songs. If one has such memories, it's difficult to contain one's emotions."

The Communist Party, which played a key role in the Resistance and organized a protest demonstration on the Champs Elysées on Tuesday, said in a statement that it opposed the German presence, "not because it brings the French and Germans together in a symbolic gesture, but because it is done through arms and an army."

However, many French politicians have backed Mr. Mitterrand. "I can understand the emotion of people who suffered at that time," said Jacques Baumel, a conservative deputy who was a Resistance hero. "But 50 years have passed. We cannot build the future if we forever evoke that past. Or perhaps we should still be arguing with the British over Waterloo."

Rabin Yields on PLO Council

Compiled by Our Staff From Dispatches

JERUSALEM — Prime Minister Yitzhak Rabin said Thursday that the Palestinian parliament-in-exile could convene in the Gaza Strip and that all members could attend, including those once considered terrorists.

The decision came after an aide to the PLO leader, Yasser Arafat, threatened that the 468-member Palestine National Council would not be convened if all its members were not allowed to attend.

The council is scheduled to meet in the Gaza Strip. One of its tasks will be canceling clauses in its charter that Israel considers offensive, including ones suggesting the destruction of Israel.

"If the chairman of the PLO decides to convene the Palestine National Council in order to fulfill his commitment to change the Palestinian covenant, then we will let them come in," Mr. Rabin said. "Some we will certainly let stay, some we won't."

Israel closed border crossings to PLO officials on Thursday,

saying Mr. Arafat had smuggled four banned Palestinians into the Gaza Strip in his personal entourage. The crossings were reopened after the four returned to Egypt.

Mr. Arafat's economic chief, Ahmed Korai, who negotiated the Palestine Liberation Organization's peace accord with Israel in Norway last year, returned to Jericho after the border ban was lifted.

One of those expelled was Mamoud Nofal, a member of the Palestine National Council and an alleged architect of a 1974 takeover of a high school in Ma'alot in which 21 Israeli teenagers, an Israeli soldier and three guerrillas were killed.

Mr. Rabin said that, in principle, he was ready to admit all the council members, including Mr. Nofal, but that said some would not be allowed to stay.

Mr. Rabin turned his attention to economic reconstruction, unveiling the cornerstone of a U.S.-financed 192-unit apartment complex in Gaza.

"This is proof of President Clinton's support for the Palestinian people," Mr. Arafat said at the ceremony near Gaza

City, thanking the United States for a \$6.8 million aid package.

J. Brian Atwood, administrator of the U.S. Agency for International Development, and the U.S. ambassador to Israel, Edward P. Djerejian, attended the ceremony.

"We are pleased to work with all donors to make this peace process work and to help you, Mr. Chairman, and the Palestinian people achieve your aspirations," Mr. Atwood said.

Mr. Arafat has said the first task of his council would be to create jobs for tens of thousands of unemployed Palestinians in Gaza and to solve a housing crisis. (AP, Reuters)

EUROPE: Bracing for Transition

Continued from Page 1
helped ensure that cooperation on foreign policy and justice affairs was handled between national governments, not led by the commission.

"He was extremely helpful to us," a British official said.

As for France, President François Mitterrand indicated his support Thursday by saying that the next commission leader "must be a Francophone." Mr. Santer counts French among his linguistic skills, along with English and German, as do

most Luxembourgers. But whether his eloquence will enable him to be heard is the question that worries the bureaucrats in Brussels.

"It's very depressing here," a senior commission official said. The selection of Mr. Santer instead of someone of the stature of a Dehaene, Lubbers or Gonzalez shows "disdain for the European institutions," he said, adding, "Can you imagine Mr. Santer at the G-7 summit explaining the economic situation in Europe?"

The walkout was held despite

stern warnings from the government that it was illegal, at least for civil servants and workers in the vital petroleum industry.

Oil exports account for more than 90 percent of Nigeria's foreign exchange income, which were \$10 billion last year.

Rank-and-file oil workers went on strike July 4 to protest the Abacha regime. The strike has since expanded to include most public employees, teachers, bureaucrats and physicians.

What was most worrisome,

local and Western analysts said,

was Nigeria's history of political intransigence and sudden explosions. Some people saw a looming political catastrophe.

The demonstrations, which local analysts called the most dramatic ever witnessed here, were held to protest General Sani Abacha's refusal to hand power back to an elected civilian government.

General Abacha has refused to recognize the 1993 presidential election, which, by virtually all accounts, was won by Moshood K.O. Abiola. Chief Abiola, who was charged with treason last month, was denied bail at a hearing on Thursday.

The walkout was held despite

the best-known project was proposed several years ago by Chung Ju Young, founder of the huge Hyundai Group who was born in the North. He envisions developing a joint \$700 million resort straddling the border near the picturesque Mount Kumgang.

In 1992, Daewoo signed a contract and built factories for joint manufacturing of toys, textiles, bags and other goods at Nampo, a port on the west coast near Pyongyang.

But the factory buildings sit idle. These and other projects were frozen by government fiat

following Pyongyang's an-

ouncement in 1993 that it would withdraw from the Nuclear Nonproliferation Treaty.

If not for the restrictions, two-way trade would be at least \$500 million, compared with last year's figure of about \$200 million, reckoned Song Hee Young, deputy business editor of South Korea's best-selling daily, Chosun Ilbo.

Unlike many in the business community who doubt that Pyongyang can make a nuclear device small enough to be mounted in a missile and therefore see little risk, officials say that bilateral economic relations should take a back seat to the international obligation.

"Trade is important, but the nuclear issue is more important," South Korea's trade minister, Kim Chulsoo, said in an interview.

Still, there is a clear sense of self-interest within the government in getting economic ties back on track. With North Korea's economy contracting by 5 or 6 percent each year, while the South's zooms ahead — gross national product is expected to jump by 8 percent this year — the cost of reunifying the two economic systems grows daily. Estimates have put the cost as high as \$1 trillion over 10 years.

"We are prepared to expand economic cooperation and have many ideas," said Kim Chulsoo, the trade minister. "Once we are satisfied, I think economic cooperation could move at a very rapid pace."

As a result, the 44-year-old magistrate said, he and other investigators were seeking transfers to other cases "without the strident contrast between what conscience demands and what the law insists."

It was not immediately known if their request had been accepted. The other magistrates seeking transfers in what seemed direct challenge to Mr. Berlusconi's government were Piercamillo Davido, Francesco Greco and Giannino Colombo.

Their move drew an immediate and scathing response from Mr. Berlusconi's aides. Giuliano Ferrara, the government spokesman, said a public institution such as the magistrate did not need "heroes" or "charismatic figures."

The Northern League leader, Umberto Bossi, himself facing trial because of Mr. Di Pietro's investigation into illegal financing of political parties, said: "If they want to go, let them. They can't put pressure on politicians."

Mr. Berlusconi, whose own brother Paolo is facing trial on corruption charges after a split in preventive detention last March, offered no immediate comment on what is bound to be interpreted here as a further step to consolidate power by molding public institutions.

Since taking office, Mr. Berlusconi's government has forced changes in the key personnel at the state broadcasting and intelligence services and is embroiled in a public row over appointments at the Central Bank, a supposedly independent body.

Berlusconi and his ministers seem to be convinced that, to govern, they need to enter the control room, open the strong-boxes, coax the microphones and the television cameras, just as someone they trust at the ministry substitutes the "servants" of the new old with "servants" of the new.

Sergio Romano, a columnist,

for example, has often exac-

erbated other divisions in Afri-

ca, between landed and land-

less, farmers and herders, have

and have-nots. Competition among regions or religions —

Muslim, Christian, atheist — is another sectarian flashpoint.



South Korean students on guard Thursday in Seoul with steel pipes to protect others at an anti-government rally. Kim Hyeon-Ah/Agence France-Presse

Seoul Jails Students Praising Kim II Sung

By T.R. Reid
Washington Post Service

SEOUL — South Korea has jailed several dozen students for putting up posters praising Kim Jong Il, the late North Korean dictator, and planning memorial ceremonies in his honor.

South Korea is a nation with free elections, but it imposes restrictions on speech and political activity, particularly when North Korea is involved.

According to the Seoul government, banned memorial events here for the North Korean Communist leader who died last week at 82 of what the North Korean government called a heart attack.

About 1,000 students, some hurling firebombs, battled with police officers in Seoul on Thursday, protesting the restrictions on honoring Kim II Sung.

A small number of South Koreans, including the head of the Korean branch of the Reverend Sun Myung Moon's Unification Church were reported to be traveling to Pyongyang to pay tribute to Mr. Kim.

The police struggle against the students, however, has turned out to be the only problem so far for South Korea, as the transfer of power from the Pyongyang dictator to his son, Kim Jong Il, 52, seems to be going more smoothly than anyone here had expected.

The best-known project was proposed several years ago by Chung Ju Young, founder of the huge Hyundai Group who was born in the North. He envisions developing a joint \$700 million resort straddling the border near the picturesque Mount Kumgang.

In 1992, Daewoo signed a contract and built factories for joint manufacturing of toys, textiles, bags and other goods at Nampo, a port on the west coast near Pyongyang.

But the factory buildings sit idle. These and other projects were frozen by government fiat

following Pyongyang's announcement that it would withdraw from the Nuclear Nonproliferation Treaty.

If not for the restrictions, two-way trade would be at least \$500 million, compared with last year's figure of about \$200 million, reckoned Song Hee Young, deputy business editor of South Korea's best-selling daily, Chosun Ilbo.

However, colonial borders that ignored African realities, haphazardly slicing through tribal territories combined with the upheavals of independence politics, have made Africa uniquely susceptible to tribalism's centrifugal pulls, observers say. Most of the continent's civil wars, at least 20 in three decades, have had a significant ethnic component.

Such forces appeal even more in an era of tremendous anxiety within Africa, already the world's poorest continent and growing poorer. Most countries are faced with huge and mounting debts, and their economies and agricultures are stagnant or shrinking. Meanwhile, their populations are skyrocketing, foreign aid is declining, and their governments are overwhelmingly incompetent and corrupt. The absence of a significant middle class, the backbone of civil society, also contributes to instability.

Today more than ever, Africa is prey to what the historian Basil Davidson calls "the curse of the nation state." African states remain artificial entities still struggling to find legitimacy in the eyes of their citizenry.

The Baganda in Uganda were granted similarly preferential treatment by the British.

In Sudan, the British treated north and south as separate but unequal entities and the two halves have been at war for 28

years. In Kenya, the white minority government fanned hostilities among black opposition groups to forestall a joint frontal assault on their white rulers. The government divided black South Africans into 10 tribally based homelands, a classic divide-and-rule tactic.

In Kenya, human rights groups have accused President Daniel arap Moi's government of inciting clashes between Mr. Moi's minority Kalenjin ethnic group and the larger Kikuyu and Luo tribes. The escalating violence, which has displaced thousands of people and disrupted agriculture in a drought year, threatens to boil over into civil war.

Ethnicity also has often exacerbated other divisions in Africa, between landed and landless, farmers and herders, have

and have-nots. Competition among regions or religions —

Muslim, Christian, atheist — is another sectarian flashpoint.

The practice of jailing corruption suspects has been central to the magistrates' ability to crack open the Tangentopoli affair. But it was criticized not only by its victims but also by the U.S. State Department's 1993 global review of human rights.

Magistrates In Italy See Law Killing Their Probe

By Alan Cowell
New York Times Service

ROME — The magistrates whose corruption investigations brought down Italy's political old guard sought to quell Thursday in protest over a decree from Prime Minister Silvio Berlusconi's government depicted as a direct attempt to block their inquiries.

The magistrates' decision, announced by Antonio Di Pietro, an investigator who is now a national hero for his role in corruption inquiries that ended a political era, threatened Italy with its most serious crisis since Mr. Berlusconi and his rightist opponents won power in elections last March as the champions of a new political order.

"The era that is ending, and there is no hiding the fact, is that of Tangentopoli and what foreign observers called the Italian revolution," said Marcello Sorgi, a political commentator.

Tangentopoli, or Bribe City, was the label Italian newspapers attached to judicial inquiries revealing a vast network of graft implicating thousands of businessmen and politicians in billion-dollar kickbacks for government contracts and favors.

BUSINESS

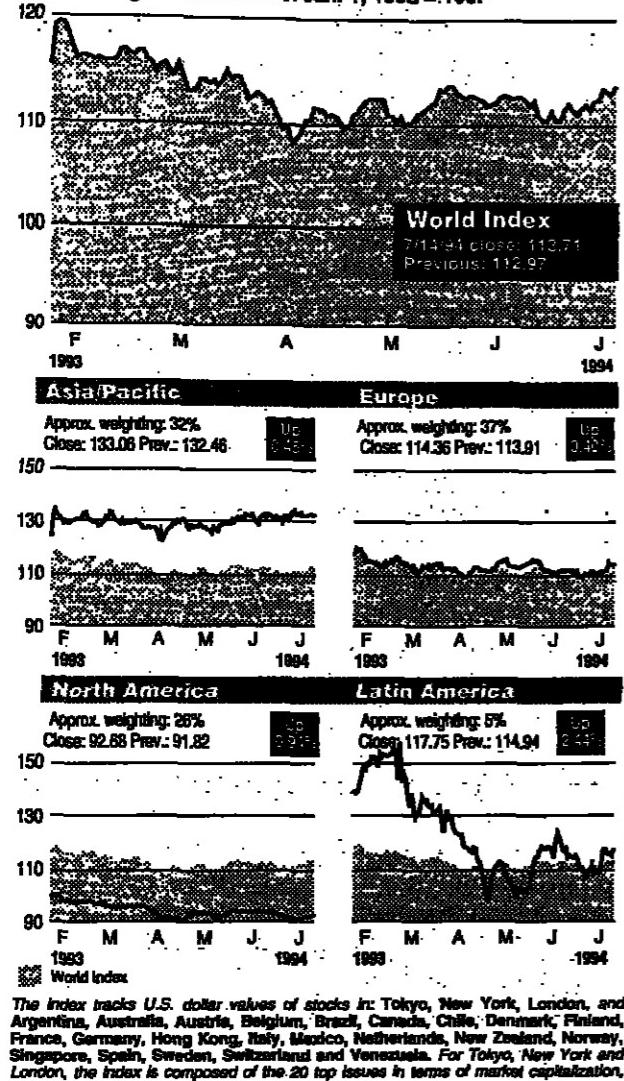
International Herald Tribune, Friday, July 15, 1994

Page 9



THE TRIB INDEX: 113.71

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, and Venezuela. For Tokyo, New York and London, the top 200 companies of the top 200 issues in terms of market capitalization, otherwise the top 100 stocks are tracked.

	Ths. close	Prc. close change	% change	Ths. close	Prc. close change	% change	
Energy	111.62	111.25	-0.33	Capital Goods	113.85	112.78	-0.95
Utilities	121.92	121.42	-0.41	Raw Materials	124.38	123.80	-0.47
Finance	118.87	118.45	-0.19	Consumer Goods	93.20	93.55	+0.65
Services	119.12	117.81	-1.11	Miscellaneous	126.71	121.75	-4.14

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

© International Herald Tribune

Thinking Ahead / Commentary

No Way for Europe to Pick a President

By Reginald Dale

International Herald Tribune

WASHINGTON — In Brussels a small group of men are meeting on Friday to make an important decision for the future of Europe. It is a sure bet that they will fail to rise to the occasion.

The leaders of the 12 countries of the European Union will undoubtedly select the wrong person to be president of the European Commission for the next, crucial five years.

At a time when the Union sorely needs visionary leadership to repel the resurgent forces of nationalism and unite the continent, the 12 heads of government can be counted on to ensure it has to settle for second best. The new president will reflect the lowest common denominator of what is acceptable to all 12—or at least to Britain, France and Germany.

The odds-on favorite is Jacques Santer, the prime minister of Luxembourg, about whose leadership potential some of the kinder words used have been “mediocre” and “misingrip.”

But even if Mr. Santer is not chosen, the alternatives are hardly likely to be any better. To save his own political skin, Prime Minister John Major of Britain feels obliged to veto anyone too enthusiastically committed to a stronger Union.

Mr. Major’s colleagues have yielded with surprisingly little fight. France and Germany seem to be more interested in saving face than in finding the best candidate. The smaller countries that ought

to be fighting for a top-notch personality have given up far too easily.

France’s conservative government has quietly joined Britain in seeking a more subservient and less political commission, shifting power to the national governments and away from the Union’s central institutions.

It is perhaps not surprising that weak national leaders do not want a strong competitor in Brussels. It has become all

The leaders of the 12 countries of the European Union will undoubtedly select the wrong person to be president of the European Commission.

too common for national governments to use the commission as a scapegoat for their own failings.

But it is too easy to blame the commission for Europe’s problems. The picture of a bloated bureaucracy intent on harmonizing everything, so often put about by its critics in Britain, is quite simply false. By any bureaucratic standard the commission is a slimline organization—and it long ago reined in the harmonization impulse.

Such misconceptions are partly the commission’s own fault. It has always been poor at its own public relations. Now it is demoralized by bad manage-

ment under the current president, Jacques Delors.

But to weaken its role too far at the expense of governments would make a mockery of the Union’s founding principles, under which the commission stands for the common cause, the governments for national interests.

If Europe is to overcome its atavistic rivalries and divisions in the post-Cold War era, it needs a strong commission to act as the Union’s referee and the instigator of further progress. It needs a strong president at a time when governments, except perhaps in Germany, are failing to give a lead.

The challenges now facing the Union have never been greater. During the next president’s five-year term, those challenges will include integrating Central and Eastern Europe into the Union, tackling unemployment, forging a new relationship with the United States, getting economic and monetary union back on track and deciding the Union’s future institutional structure.

Foisting a second-rate president on Europe in this cavalier fashion can only confirm the fears of a skeptical public that the Union is run in a contemptuous, nondemocratic manner.

Ideally, the president of Europe’s executive branch should be elected like the president of United States. That is not going to happen soon. So it is all up to newly elected European Parliament. It should throw out the choice of the heads of government—and demand they come up with someone better.

CURRENCY & INTEREST RATES

Cross Rates

	S	D	F	L	D.F.	S.E.	V	C	L	120*
Amsterdam	1.225	1.295	1.229	1.271	—	1.244	1.229	1.205	1.205	1.205
Brussels	1.255	1.222	1.265	1.272	—	1.265	1.272	1.275	1.275	1.275
Frankfurt	1.548	1.518	1.548	1.567	1.567	1.567	1.579	1.579	1.579	1.579
London (s)	1.248	1.248	1.248	1.248	1.248	1.248	1.248	1.248	1.248	1.248
Milan	1.222	1.193	1.222	1.234	1.234	1.234	1.235	1.235	1.235	1.235
Moscow	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220
New York (s)	—	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220
Paris	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220

Chelmsford, London, New York and Zurich, fiduciary in other centers. Toronto rates of 3 p.m.; b1: To buy one dollar: ** Units of 100; M.G.: not quoted; M.A.: not available.

Other Dollar Values

Currency	Per \$	Per 5	Per 10	Per 50	Per 100	Per 500	Per 1,000
American	1.565	7.825	15.65	78.25	156.5	782.5	1,565
Austrian	1.256	6.280	12.56	62.80	125.6	628.0	1,256
Austr. schill.	10.558	52.890	105.58	528.90	1,055.8	5,289.0	10,558
Canadian	1.226	6.130	12.26	61.30	122.6	613.0	1,226
Swiss francs	27.726	138.63	277.26	1,386.3	2,772.6	13,863	27,726
Danish krona	1.245	6.225	12.45	62.25	124.5	622.5	1,245
Egyptian pound	3.245	15.225	32.45	161.25	324.5	1,612.5	3,245
Finn. markka	5.112	25.555	51.12	255.55	511.2	2,555.5	5,112
Hong Kong dollar	2.272	11.100	22.72	111.00	227.2	1,110.0	2,272
Hong Kong, P.R.C.	2.272	11.100	22.72	111.00	227.2	1,110.0	2,272
Italian lira	1.220	6.100	12.20	61.00	122.0	610.0	1,220
Japanese yen	1.220	6.100	12.20	61.00	122.0	610.0	1,220
Malaysian ringgit	2.285	11.425	22.85	114.25	228.5	1,142.5	2,285

Sources: ING Bank (Amsterdam); Indonesia Bank of Tokyo (Tokyo); Bank Commercial (Hong Kong); Agence France Presse (Paris); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Glaxo Trips on Portfolio

Compiled by Our Staff From Dispatches

LONDON — Glaxo Holdings PLC, the world's second-largest pharmaceuticals company, said Thursday that it was switching control of its cash reserves of \$2.2 billion (\$3 billion) to outside managers following losses in the bond market likely to exceed £100 million.

Glaxo said it would not disclose the extent of its losses until Sept. 8, when it reports earnings for the financial year that ended on June 30.

But one executive with knowledge of the company's holdings said that Glaxo was still determining how much it lost on its investments and that its current best estimate was £105 million.

The spokesman said Glaxo had sold \$55 million of securities on Monday.

With the disclosure of the problem, Glaxo has joined other multinationals, including Procter & Gamble Co., Metallgesellschaft AG and Gibson Greetings Inc., which have suffered extensive portfolio losses in recent months.

Glaxo said it would lay off its 10 Bermuda-based fund managers as it hands over its portfolio to an outside manager and would close the Bermuda unit, which invested the company's cash reserves in three different markets.

Glaxo said the unit had invested about £880 million in the money markets, about £1.1 billion in the U.S. mortgage-backed-securities market and about £220 million in more complex products, including tailor-made securities known as structured notes.

Tumbling bond prices this year took many large investors by surprise this year and analysts said that Glaxo's losses did not appear disproportionate.

Even the bond-trading specialist Salomon Brothers Inc. has said it expects a loss of \$200 million.

Mr. Bentzen also repeated in strong terms his desire that he did not mention what he would do if the dollar fell further. “Let me state that obviously we are concerned and want a strong dollar, and that is important,” he said.

The officials at the press conference, led by Mr. Bentzen, also affirmed predictions for near-term growth, made in February.

They said the economy would expand 3 percent this year and 2.7 percent next year, and that inflation would remain moderate.

Laura D’Andrea Tyson, head of the President’s Council of Economic Advisors, said faster-than-expected growth this year and next had forced the government to trim forecasts for 1996, 1997 and 1998 by a tenth of a percentage point in each year.

Mr. Bentzen also repeated in strong terms his desire that he did not mention what he would do if the dollar fell further. “Let me state that obviously we are concerned and want a strong dollar, and that is important,” he said.

The officials at the press conference, led by Mr. Bentzen, also affirmed predictions for near-term growth, made in February.

They said the economy would expand 3 percent this year and 2.7 percent next year, and that inflation would remain moderate.

Laura D’Andrea Tyson, head of the President’s Council of Economic Advisors, said faster-than-expected growth this year and next had forced the government to trim forecasts for 1996, 1997 and 1998 by a tenth of a percentage point in each year.

Mr. Bentzen also repeated in strong terms his desire that he did not mention what he would do if the dollar fell further. “Let me state that obviously we are concerned and want a strong dollar, and that is important,” he said.

The officials at the press conference, led by Mr. Bentzen, also affirmed predictions for near-term growth, made in February.

They said the economy would expand 3 percent this year and 2.7 percent next year, and that inflation would remain moderate.

Laura D’Andrea Tyson, head of the President’s Council of Economic Advisors, said faster-than-expected growth this year and next had forced the government to trim forecasts for 1996, 1997 and 1998 by a tenth of a percentage point in each year.

Mr. Bentzen also repeated in strong terms his desire that he did not mention what he would do if the dollar fell further. “Let me state that obviously we are concerned and want a strong dollar, and that is important,” he said.

The officials at the press conference, led by Mr. Bentzen, also affirmed predictions for near-term growth, made in February.

They said the economy would expand 3 percent this year and 2.7 percent next year, and that inflation would remain moderate.

Laura D’Andrea Tyson, head of the President’s Council of Economic Advisors, said faster-than-expected growth this year and next had forced

MARKET DIARY

U.S. Stocks Rally On Strong Profits

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks rallied Thursday, supported by bond-market gains, by optimism about corporate profits and strength in technology stocks.

The Dow Jones industrial average closed 34.97 points higher, at 3,739.25. Advancing were 400 decliners 3 to 1 on the

U.S. Stocks

New York Stock Exchange, where volume totaled 320.8 million shares.

Bonds rallied after the Commerce Department reported retail sales rose 0.6 percent in June, in line with expectations. The benchmark 30-year Treasury bond was priced at 84 29/32 and yielded 7.34 percent, down from 7.67 percent on Wednesday.

Moderate growth in retail sales is bullish for bonds market because it means the economy is growing at a pace that is not fast enough to stir much inflation.

Mary Farrell, an analyst at PaineWebber, said that Wednesday's runup in small technology stocks has spread to bigger technology names.

IBM finished 1% higher at

58%, Motorola gained 3% to 50 7/16.

But Digital Equipment shares lost 1/4 to 20¢ after the company said it expected to take a restructuring charge of \$1.2 billion for the fourth quarter ended July 2 and cut 20,000 jobs.

But unexpectedly strong earnings from Chrysler and Alumax Inc., a major aluminum producer, provided more evidence of strong second-quarter earnings. "Chrysler came out with a dynamic quarter, and I think that was enough to change the psychology," said Stan Feeley, chief investment officer of SunAmerica Asset Management Corp.

Alumax gained 1/4 to 273¢, although Chrysler fell 3¢ to 49¢.

Stocks also got a boost from a slate of big merger agreements, traders said. Tyco International offered to buy Kendall International for \$1.4 billion; Nextel Communications plans to buy OneCom for \$650 million; and IDB Communications said it was discussing a takeover by LDDS Communications.

(Bloomberg, Reuters, AP)

Dollar Shakes Lethargy On Bentsen's Comment

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rebounded from early doldrums in late trading Thursday following comments from Treasury Secretary Lloyd Bentsen.

Mr. Bentsen's rhetoric gave the currency a lift because many traders interpreted it to mean that the Federal Reserve Board would raise interest rates or buy dollars.

The dollar closed at 1.5552 Deutsche marks, up more than a

pfennig from Wednesday and extending the rally for a third day. It also rose against for a second day to 98.595 from 98.230.

The dollar reinforced its climb when bonds gained on a government retail sales report indicating the economy was not growing fast enough to spur inflation.

"The dollar fell too far, and the bonds became cheap, so people bought both," said Paul Farrell, a trader at Chase Manhattan Bank.

Earlier in the day, comments from the Bundesbank presi-

dent, Hans Tietmeyer, pushed the dollar to new depths. Although he said a strong and stable dollar was in the interest of the Bundesbank and the global economy, he also said Washington held the main responsibility for its defense.

In New York, the IDEAS senior foreign exchange analyst Amy Smith said the market was carrying out an orderly process of locking in profits on short dollar positions when Mr. Bentsen said the Treasury would work with the Federal Reserve Board to achieve a stronger dollar.

According to Hugh Walsh, an ING Capital Markets dealer, although the wording of Mr. Bentsen's comments was slightly different from previous statements, the market is likely to treat them with skepticism until words are followed by action.

"And that appears unlikely," he said. The Group of Seven industrial nations "has done a good job of saying that intervention is not very effective. As for a rate hike, that appears unlikely at least for the moment."

(Knight-Ridder, Bloomberg)

Foreign Exchange

pennig from Wednesday and extending the rally for a third day. It also rose against for a second day to 98.595 from 98.230.

The dollar reinforced its climb when bonds gained on a government retail sales report indicating the economy was not growing fast enough to spur inflation.

"The dollar fell too far, and the bonds became cheap, so people bought both," said Paul Farrell, a trader at Chase Manhattan Bank.

Earlier in the day, comments from the Bundesbank presi-

dent, Hans Tietmeyer, pushed the dollar to new depths. Although he said a strong and stable dollar was in the interest of the Bundesbank and the global economy, he also said Washington held the main responsibility for its defense.

In New York, the IDEAS senior foreign exchange analyst Amy Smith said the market was carrying out an orderly process of locking in profits on short dollar positions when Mr. Bentsen said the Treasury would work with the Federal Reserve Board to achieve a stronger dollar.

According to Hugh Walsh, an ING Capital Markets dealer, although the wording of Mr. Bentsen's comments was slightly different from previous statements, the market is likely to treat them with skepticism until words are followed by action.

"And that appears unlikely," he said. The Group of Seven industrial nations "has done a good job of saying that intervention is not very effective. As for a rate hike, that appears unlikely at least for the moment."

(Knight-Ridder, Bloomberg)

Market Sales

Tuesday: 300,000 shares of 1988 issue of 10% notes due 2008.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1990 issue of 10% notes due 2010.

Friday: 100,000 shares of 1990 issue of 10% notes due 2010.

Saturday: 100,000 shares of 1990 issue of 10% notes due 2010.

Sunday: 100,000 shares of 1990 issue of 10% notes due 2010.

Monday: 100,000 shares of 1990 issue of 10% notes due 2010.

Tuesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Wednesday: 100,000 shares of 1990 issue of 10% notes due 2010.

Thursday: 100,000 shares of 1

Deutsche Bank To Tackle N.Y. Competition

By Lawrence Malkin

International Herald Tribune

NEW YORK — The chief of Deutsche Bank's North American operations on Thursday unveiled his plan to compete against Wall Street firms on their own turf by stressing trading and downgrading the bank's traditional reliance on corporate lending and management.

"U.S. financial institutions are invading the world, and if we — Germany — don't go after them we will fail," said John A. Rolls, the former chief financial officer of United Technologies Corp. who took over Deutsche Bank's North American subsidiary in November 1992 and has spent that time reorganizing it.

This strategy was signaled at least two years ago when the bank's German managers said here that it was essentially a "sleeping giant" and had to turn itself into a powerhouse in the capital markets with its worldwide assets of about \$300 billion, its blue-chip connections, and its triple-A credit rating — an important asset in arranging lucrative financial swaps.

In the past year, Deutsche Bank suffered huge losses from failures by corporate clients, demonstrating that its tradition of relationship banking can be a two-edged sword. It has lost money both as a shareholder and lender in oil trading by Metallgesellschaft AG and suspect-

ed fraud at Balsam AG, a sports flooring company, and Dr. Jürgen Schneider AG, Germany's largest real estate company.

Under Mr. Rolls, Deutsche Bank's separate U.S. fiefdoms have been reorganized but they have a long way to go to reach powerhouse profitability.

Mr. Rolls disclosed that during the first six months of this year — a difficult one in the financial markets — Deutsche Bank had increased its pretax income by 130 percent, international equities by 180 percent, government securities by 160 percent and swaps by 200 percent. But he refused to give the exact figures for the increases.

Last year, Deutsche Bank North America reported revenue of \$454 million on \$25.8 billion in assets.

Deutsche Bank has also brought its largest money-losing client, Daimler-Benz AG, to the New York Stock Exchange. This has led analysts here to suspect that it planned to sell pieces of big German corporations to Americans, thus diluting the bank's massive holdings in German industry.

Mr. Rolls said the bank had "no active plans" to dump its corporate holdings but that it hoped to raise money for German companies on Wall Street by selling stock in them on the U.S. market.

Take My Bourse, Please

By James Hansen
Special to the Herald Tribune

MILAN — The city of Milan is trying, so far without much success, to give its stock exchange to the Palestine Liberation Organization.

Forced from the permanent

Milan is trying to give a surplus stock exchange to the PLO.

Mezzanotte in the financial district to make way for contractors charged with rebuilding the structure and transforming the old pit-based trading system into something more modern.

According to Milan Stock Exchange officials, the last operators will abandon the building at the close of business on Friday. Since the city now wants to get its piazza back, it will not renew licenses authorizing occupation of the structure.

Negotiations between the president of the Milan Chamber of Commerce, Piero Bassetti, and his Palestinian counterpart, Hanna Seniora, however, have reached what a Chamber spokesman calls a "temporary stall," apparently over a question of money.

Insiders say the problem is that the PLO would like a free stock market. Milan would like to give one away but both would like some as yet unidentified third party to pick up the tab for demolition and moving expenses.

There may be an alternative for Milan. According to the Milan Chamber of Commerce, which owns the structure, one of the new Baltic republics is interested in acquiring the exchange.

Sweden Pledges Fiscal Restraint, But Investors Have Their Doubts

Bloomberg Business News

STOCKHOLM — The government said Thursday it was ready to expand savings measures to curb the budget deficit, but financial markets remained unconvinced.

In a Parliament finance committee hearing, Economic Minister Anna Wibbel suggested expanding the so-called "Nathalie plan," which contains measures to tighten the budget. The measures are worth about 100 billion Swedish kronor (\$13 billion) until 1999.

Although Mrs. Wibbel did not give details, she said efforts to lower the budget deficit should focus on cutting costs.

Earlier this month, the government said higher interest rates would widen the budget deficit to 160 billion kronor in the 1995 fiscal year.

She said if the current level for interest rates holds up, the budget deficit could be up to 24 billion kronor higher than the current forecast — partly because

cause interest-rate payments on public debt will rise and partly because the high yields will curb economic activity and therefore limit revenue.

The committee meeting was prompted by the sharp drop in government bonds and the krona when Björn Wolrath, chief executive of Sweden's largest insurance company, Skandia Forsakring AB, said the company would not buy Swedish bonds until the government took action to reduce the deficit.

The center-right Swedish government is known to be strongly against increasing taxes, but it thinks the best way to improve Sweden's economy is to help businesses.

Analysts said the upcoming general elections would make it difficult for politicians to agree on concrete measures.

Mrs. Wibbel said there was no point in describing specific measures if it was not certain they would be implemented.

To present a proposition which there is insecurity as to whether it will be carried through will not contribute to lessening the unrest," on financial markets," she said.

Dan Karlsson, a committee member from New Democracy, a party which the Swedish minority government relies on for parliamentary support, said the proposal to increase the Nathalie savings program was not good enough to satisfy financial markets.

The plunge in bond prices

and the resulting increased borrowing costs for the government and companies has worsened Sweden's economic scenario, Mrs. Wibbel said.

She said Sweden's total economic output, or gross domestic product, will rise by 2 percent instead of the 3 percent currently forecast for this year, if interest rates remain high.

The company's share price

rose nearly 2 percent, to 924.70 DM, in an otherwise listless market.

Guseppe Vita, the company's managing board chairman, said the sales growth figure of 19 percent recorded in the first quarter could not be sustained.

He refused to make any comment on profit in the first half and said that details about

Swiss Up Ante With a Pair

Reuters

GENEVA — Swiss authorities locked in a battle with Germany to land the headquarters of the World Trade Organization have offered Islamic diplomats the right to register two wives, officials said Thursday.

"We saw no reason to say no," said a Foreign Ministry spokesman. He quickly dismissed a suggestion that Switzerland could be forced to increase the offer to four, the maximum permitted under Islamic law, if Germany were to make a counteroffer for three.

"For official purposes, we think two wives should be quite enough," he said. Swiss officials on Wednesday accused Germany of using undue political pressure to promote Bonn instead of Geneva for the successor organization to the General Agreement on Tariffs and Trade.

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE %B High Low Late Chg

A

12 Month High Low Stock Div Yld PE %B High Low Late Chg

B

12 Month High Low Stock Div Yld PE %B High Low Late Chg

C

12 Month High Low Stock Div Yld PE %B High Low Late Chg

D

12 Month High Low Stock Div Yld PE %B High Low Late Chg

E

12 Month High Low Stock Div Yld PE %B High Low Late Chg

F

G

H

I

J

K

L

M

N

O

P

Q

R

S

T

U

V

W

X

Y

Z

U.K. Gives Approval For 5th TV Network

Compiled by Our Staff From Dispatches

LONDON — Britain on Thursday gave the go-ahead for a fifth conventional television network and up to 12 digital terrestrial TV services.

The final say about whether a fifth channel will become a reality, however, now rests with the industry oversight body, which said it was unhappy with elements of the government plan.

Peter Brooke, the national heritage secretary, announced the decision in a statement implying the government sees digital television as a key. "We believe that this plan will create greater choice and diversity for viewers by combining the advantages of an increased number of television services, initially through Channel 5, with opportunities for new and enhanced services using digital transmission," he said.

Mr. Brooke set out the government's plans in a letter to Sir George Russell, chairman of the Independent Television Commission, which regulates commercial television stations.

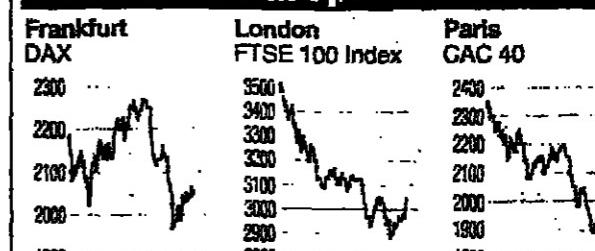
He said the government's plan will make possible the start of an analogue Channel 5 service giving coverage of more than 60 percent of the population, with the option of reaching up to 90 percent with digital simulcasting, and the provision of up to 12 digital services.

Four of these digital services would be used to simulcast the present four terrestrial television channels, and another would be available to a successful applicant for Channel 5 to extend its coverage.

But the regulatory agency, the Independent Television Commission, said that might not be good enough. It said it hoped to have its decision by September.

Of the current four stations, two are provided by the publicly funded BBC and two are commercial. (Reuters, AF)

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	388.84	386.31	+0.85
Brussels	Stock Index	7,810.66	7,294.41	+0.22
Frankfurt	DAX	2,055.82	2,054.00	+0.08
Helsinki	HEX	1,758.90	1,758.60	+0.21
London	Financial Times 30	2,364.00	2,356.80	+1.58
London	FTSE 100	3,050.40	3,005.30	+1.60
Madrid	General Index	301.92	303.88	-0.53
Milan	MIB	1,122.80	1,109.00	+2.07
Paris	CAC 40	Closed	1,974.59	-
Stockholm	Alfaersaerden	1,837.38	1,827.31	+0.55
Vienna	Stock Index	N/A	449.06	-
Zurich	SBS	801.11	888.10	+1.48

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

- Rank Organization PLC, the British entertainment company, said first-half pretax profit fell 83 percent from a year earlier, to £16.3 million (\$25.5 million), after heavy one-time charges for staff reductions and the closure of a U.S. video distribution unit.
- Alusuisse-Louza Holding AG said it expected 1994 net profit to double from \$3 million Swiss francs (\$64 million) in 1993.
- Banco Popular Espanol SA of Spain said first-half net profit rose 1.3 percent from a year earlier, to 30.3 billion pesetas (\$24.7 million), but bad debts rose to 54.48 billion in the first half, or 27.9 percent of the total loan portfolio, from 49.805 billion.
- Maintenance group Team Aer Lingus Ltd., a maintenance subsidiary of the Irish state airline Aer Lingus PLC, laid off 300 employees this week, bringing its work force to 600 from 1,900 a year ago.
- Marks & Spencer PLC, the British retailer, will invest more than £1 billion (\$2 billion) over the next three years in renovating and building department stores.
- Great Universal Stores PLC, which operates the Burberrys and Scotch House retailers, said pretax profit rose 9 percent in the year ended March 31, to £18.9 million, because of strong earnings at its mail-order business.
- Dutch unemployment unemployment declined to an average of 461,000, or 7.2 percent of the work force, in the second quarter from 483,000, or 7.5 percent, in the first quarter, the statistics office said.
- ONT Carpeti SA, Romania's state tourism company, and Ban Holding AG of Austria plan to build a \$180 million luxury hotel in Bucharest, two are provided by the publicly funded BBC and two are commercial. (Reuters, AF)

Schering Stock Jumps on Sales Outlook

Compiled by Our Staff From Dispatches

BERLIN — Schering AG, the German chemicals and pharmaceuticals company, said Thursday that sales were likely to climb 12 percent, to 4.6 billion Deutsche marks (\$3 billion), in 1994 and that they had risen by 16 percent in the first half of the year.

The company's share price

rose nearly 2 percent, to 924.70 DM, in an otherwise listless market.

Guseppe Vita, the company's managing board chairman, said the sales growth figure of 19 percent recorded in the first quarter could not be sustained.

He refused to make any comment on profit in the first half and said that details about

earnings would be published in early August. The company had announced in May that profit in the first quarter had risen 2 percent, to 124 million DM.

He also unveiled plans to transfer a third of Schering's research and development spending to small companies and universities. Schering spent nearly 900 million DM on such spending last year.

He reported that sales of the group's multiple-sclerosis treatment, Betaseron, were expanding rapidly in the United States, where the drug was introduced in late 1993, and should reach 300 million DM this year after sales of 7 million DM in 1993.

Mr. Vita said that the company is aiming to double its profitability over the next five years. (Reuters, Bloomberg)

INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday International Conferences and Seminars
 - Tuesday Education Directory
 - Wednesday Business Message Center
 - Thursday International Recruitment
 - Friday Real Estate Marketplace, Holidays and Travel
 - Saturday Arts and Antiques
- Plus over 3

Honda to Cut U.S. Exports

Compiled by Our Staff From Dispatches

TOKYO — Honda Motor Co., trying to offset the effects of a higher yen, will reduce the number of cars it exports to the United States and increase the production capacity of its North American plants, a company executive said Thursday.

A Honda spokesman refused to disclose details of the plans, but said an announcement was likely "in the near future."

However, he said that figures reported earlier in the Nihon Keizai Shimbun were incorrect. The newspaper said the company would halve its auto exports from Japan to the United States by 1999 and raise its North American production by 30 percent.

Company executives said the move was part of Honda's efforts to localize its global car production. The company wants to cope with the strong yen, which makes Japanese exports expensive abroad.

Another Honda spokesman, Yasuhiro Wada, said, "We will continue to raise local production as long as the yen remains strong."

However, such a development would not necessarily satisfy U.S. trade negotiators, who complain that Japanese carmakers who produce in the United States rely too heavily on parts imported from Japan.

Honda generates more money selling cars overseas than in Japan. For the year ended March 1994, the company generated worldwide sales of 3.8 trillion yen (\$39 billion), of

which sales in Japan accounted for just 1.28 trillion yen.

"The move isn't surprising," considering the yen's recent surge against the dollar, said Ben Moyer, an analyst at Merrill Lynch & Co. He added, "North America is the best market for Honda in terms of sales growth."

Of the 1.85 million cars that Honda is to produce this year, about 800,000 units would be made outside of Japan, he said.

Minolta Sets China Ventures

Agence France-Presse

TOKYO — Minolta Co. said Thursday that it would set up two joint ventures in October in China to make and sell cameras and copying machines.

In Shanghai, Minolta is to set up a venture with Shanghai General Camera Factory, China's top camera maker, to produce compact and single-lens reflex cameras, a spokesman said. The venture, capitalized at \$4.5 million, initially will make 20,000 cameras a month.

In Wuhan, Minolta plans a venture with Wuhan Instrumentation and Automation Industry Co. to make copying machines for office use. This company, capitalized at \$3.3 million, would initially make several hundred copiers each month.

Mr. Wada, the Honda spokesman, said some of the increased U.S. production will be diverted to Japan. But he said the company was not trying to compete with U.S. carmakers in the Japanese market, noting that their product lines differ. Honda has not decided how many more cars it wants to sell in Japan because sales of cars fluctuate depending on the market situations, he said.

The company last year produced 504,396 passenger cars in North America, more than any other Japanese carmaker. This year, the company is planning to produce 600,000 cars.

A Honda spokesman said the company also was considering increasing exports of its North American-made autos to other markets.

Honda, as part of a previously announced plan, aims to make the United States a base for exporting vehicles to Latin America and elsewhere.

(Bloomberg, AFX, Reuters)

■ U.S.-Japan Talks Stalled
There has been no breakthrough in U.S.-Japan trade talks on automobile and auto parts, said Hideaki Kumanou, deputy minister of international trade and industry, AFP-Exte News reported from Tokyo. He was referring to talks between Sozaburo Okamatsu, also a deputy minister of international trade and industry, and Jeffrey E. Garten, a U.S. under-secretary of commerce. Mr. Garten said "It's fair to say that the progress is very slow."

Yen Curbs Japan Steel Output

Compiled by Our Staff From Dispatches

TOKYO — The yen's recent surge threatens to squelch an expected rise in Japan's steel output, a prime requirement for the steel industry's recovery from prolonged recession, officials at steelmakers and industry analysts said on Thursday.

"If the high yen affects our customers, a rise in crude steel production may slow," said a spokesman for Kawasaki Steel Corp. "Steel production so far is not as bad as we expected, but the yen's appreciation is apparently a negative factor."

The dollar fell to a record low against the yen early in the week and has only risen moderately above that floor.

The Japan Iron & Steel Federation announced Thursday that crude steel production in June fell to 8.1 million metric tons, down 8.3 percent from the figure for June 1993, and this marked the ninth consecutive monthly drop. For the six months ending in June, output fell to 47.04

million tons, down 8.2 percent from the same period a year ago.

Car and electric-appliance makers and shipbuilders are among the biggest customers of Kawasaki Steel and other large steelmakers, which are reluctant to forecast how the exchange rate and an increase in steel demand would affect their bottom lines in the business year that ends on March 31, 1995.

The steelmakers, which posted losses in the year that ended on March 31, 1994, because of the Japanese recession, are undertaking various restructuring measures, including cutbacks in their work forces and capital investment.

Hiroyuki Saito, chairman of the Japan Iron and Steel Federation, said last month that the Japanese steel industry had bottomed out in terms of volume but that the high yen would push prices further down. With the dollar considerably weaker now, the industry's recovery is uncertain.

"It's a contractual relationship. In return for listing, companies submit themselves to our powers of sanctions and censure," said Herbert Hui, head of the exchange's listing division.

Among executives who support the changes, Vincent Chow, a director of the jewelry maker Chow Sang Sang Holdings International Ltd., said, "It's necessary because Hong Kong's rapidly developing market and with more and more Chinese equities coming in, there's a need for a more complete system."

(Reuters, AFP)

Regulators Freed As Hong Kong Goes on Offensive

Bloomberg Business News

HONG KONG — The six large bags of shredded paper were suspicious. John Lees had to pick his way past the sacks to serve notice on David Tong Co. that he was investigating suspicious stock transactions linked to the 1990 takeover of World Trade Center Group Ltd. by Tomson Pacific Ltd.

Later, Mr. Lees asked Spencer Lau, accountant for David Tong Co., for all the company's records. All the government-appointed investigator got was a small box of documents. "Well, we moved our office this year and in the process of relocation we lost all the records prior to the year 1992," Mr. Lau was quoted as saying in Mr. Lees' investigation report. By similar ill-luck, the company's computer was damaged in the move, and none of the back-up disks could be found, Mr. Lees was told.

The investigation by Mr. Lees into David Tong Co. and other companies has not brought any criminal charges. But Hong Kong is upgrading its arsenal of investigatory weapons, and most companies seem to support the changes. The Hong Kong Stock Exchange said it was confident the measures also would be welcomed by China, which takes over the colony in 1997.

Hong Kong legislators last week granted the Securities and Futures Commission powers to demand company records on the spot, rather than wait for voluntary compliance with inspectors' requests for information. Gerald McMahon, executive director of the commission, said the new powers would help prevent paper shredding of the kind Mr. Lees encountered. "With these new powers, there'd be less of a chance of that happening because the fact of our inspection will not become public until a notice is served on the directors in the company's office," he said.

He also said the commission and the Hong Kong Stock Exchange are gradually taking on the characteristics of corporate, rather than merely securities, regulators. For example, the exchange's compliance unit now monitors whether companies act according to statements in their prospectuses.

"It's a contractual relationship. In return for listing, companies submit themselves to our powers of sanctions and censure," said Herbert Hui, head of the exchange's listing division.

Among executives who support the changes, Vincent Chow, a director of the jewelry maker Chow Sang Sang Holdings International Ltd., said, "It's necessary because Hong Kong's rapidly developing market and with more and more Chinese equities coming in, there's a need for a more complete system."

Japan's Top Paper Firm Admits to Conspiracy

Bloomberg Business News

TOKYO — The United States and Canada are to disclose details on Friday of an alleged price-fixing conspiracy involving the American unit of New Oji Paper Co., Japan's biggest paper producer, a Canadian official said Thursday.

The company, Kamzaki Specialty Papers Inc. of Ware, Massachusetts, pleaded guilty Wednesday in a Canadian federal court in Toronto to conspiring with other companies to restrict competition in Canada in the sale of thermal fax paper between July 1991 and early 1992, said Harry Chandler, deputy director of criminal matters in Canada's Bureau of Competition Policy.

The company was fined 950,000 Canadian dollars (\$688,400) for "having engaged in a conspiracy under the Competition Act," Mr. Chandler said.

Kamzaki is the U.S. subsidiary of New Oji Paper Co. Oji Paper, as it was then called, acquired Kamzaki in October.

U.S. Attorney General Janet Reno and George Addy, director of investigation and research for the Canadian competition bureau, will announce the findings of a joint investigation in Washington on Friday, Mr. Chandler said.

In Tokyo, an executive of New Oji's planning unit said Kamzaki would be told to refrain from this type of conduct.

Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
12,000	200	2,000
11,000	200	2,000
10,000	200	2,000
9,000	200	1,900
8,000	200	1,800
7,000	200	1,700
6,000	200	1,600
5,000	200	1,500
4,000	200	1,400
3,000	200	1,300
2,000	200	1,200
1,000	200	1,100
0	200	1,000

Exchange	Index	Thursday	Prev.	%
		Closes	Closes	Change
Hong Kong	Hang Seng	8,500.20	8,522.91	-0.23
Singapore	Straits Times	2,189.78	2,183.93	+0.27
Sydney	All Ordinaries	2,007.78	1,978.60	+1.47
Tokyo	Nikkei 225	20,718.04	20,540.41	+0.86
Kuala Lumpur	Composite	1,010.80	998.57	+1.15
Singapore	SET	1,301.37	1,292.21	+0.96
Saigon	Composite Stock	858.71	861.97	-0.34
Taipei	Weighted Price	6,304.61	6,318.23	-0.22
Manila	PSE	2,957.53	2,910.75	+1.67
Jakarta	Stock Index	450.23	453.21	+1.56
New Zealand	NZSE 40	4,374.10	4,370.52	+0.18
Bombay	National Index	1,344.82	1,352.04	-0.57

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

- Sanyo Securities Co.'s research unit raised its forecast for Japan's real gross domestic product growth in the year to March 1995 to 1.1 percent from the 0.5 percent estimated in December.
- Samsung Corp. of South Korea has linked with Usha (India) Ltd. to make semiconductors in India.
- Komatsu Ltd. said it would raise dollar-denominated export prices of construction machinery across the board by 4.8 percent in response to the yen's recent rise.
- International Distillers & Vintners Ltd., a unit of Grand Metropolitan PLC of Britain, has launched its Smirnoff vodka in India in collaboration with Polychem Ltd.
- President Enterprises Corp., Taiwan's largest producer of processed foods, has submitted a plan to invest \$6 million in a food plant in the Guangzhou, China.
- State Bank of India, the country's largest commercial bank, said profit rose 30 percent, to 2.75 billion rupees (\$91.6 million), in the year to March.
- Technology Resources Industries Bhd., owner of Malaysia's largest cellular-phone company, almost doubled its group profits for the year to June and could reach 300 million ringgit (\$120 million) in the current year, analysts said.

Murdoch Targeted in Strike

Reuters

SYDNEY — Journalists at Rupert Murdoch's Australian newspapers began a nationwide strike Thursday over the introduction of new technology and a wage claim.

A spokesman for Mr. Murdoch said the newspapers would be published as usual.

Journalists walked out on The Australian, the Daily Telegraph and Sunday Telegraph in Sydney, the Herald-Sun in Melbourne, the Courier-Mail of Brisbane, the Advertiser of Adelaide and the Northern Territory News in Darwin.

NEWS EVENTS WHICH COULD AFFECT YOUR LIFE:

Consequences of a Weak Dollar
Dissidents in China
Political Changes in North Korea
Islamic Fundamentalism

FOLLOW THE WORLD EVERY DAY IN THE IHT

Subscribe now and save up to **47%** off the cover price

CALL US TOLL-FREE

AUSTRIA: 0660 8155 LUXEMBOURG: 0800 2703

BELGIUM: 0 800 17538 SWITZERLAND: 155 57 57

FRANCE: 05 437 427 THE NETHERLANDS: 06 022 5158

GERMANY: 010 848 585 UNITED KINGDOM: 0800 89 5965

1-800-221-1234 1-800-221-1234 1-800-221-1234

Or send in the coupon below.

157-94

Yes, I want to start receiving the IHT. This is the subscription term I prefer (check appropriate boxes):

12 months (344 issues in all with 52 bonus issues).

6 months (182 issues in all with 26 bonus issues).

3 months (91 issues in all with 13 bonus issues).

My check is enclosed (payable to the International Herald Tribune).

Please charge my: American Express Diners Club VISA MasterCard Eurocard Access

Credit card charges will be made in French Francs or current exchange rates.

CARD ACCT NO. _____ EXP. DATE _____ SIGNATURE _____

FOR BUSINESS ORDERS, PLEASE INDICATE YOUR VAT NUMBER _____

IHT VAT number: FET 07/03/2011/2611 Mr. Mrs Miss FAMILY NAME _____

FIRST NAME _____ PERMANENT ADDRESS: C HOME C BUSINESS _____

CITY/CODE _____ COUNTRY _____

GLAXO: Drugmaker Seeks Outside Investment Advice After Heavy Losses

Continued from Page 9
million in the second quarter, both from money lost doing business with clients and from getting its own market bets wrong.

There have also been a number of companies that have reported substantial losses in the mortgage-backed-securities market in recent months, including Kidder, Peabody & Co., the brokerage house controlled by General Electric Co.; Askin Capital Management, an investment firm that specializes in such instruments; and the Bank of Montreal.

Pharmaceutical analysts said the decision by Glaxo to hand over management of its investment portfolio to outside managers was a logical step.

"It makes an awful lot of sense," said James Culverwell, an analyst with Hobar Goveit. "You don't expect Glaxo to have the level of in-house expertise that the professionals at this business have."

Already about £500 million of Glaxo's portfolio is managed externally.

The decision to transfer the full amount was made following a management decision that Glaxo should concentrate on making drugs rather than investments, a spokesman for the company said.

Bankers said it was the investment in structured notes that may prove most problematic.

Structured notes are typically one-year securities that give the investor a higher or lower return depending on the change in value of some other security. Investors use structured notes to make an exact bet on price changes in a specified security or on a market rate.

Unlike derivatives, whose re-

lationship to general price movements is difficult to generalize about what bets an investor might have made.

It also means that these notes do not trade on any secondary markets, although the bank that created the note will often offer to purchase the note back from the investor at a low price.

The use of structured notes has grown exponentially in the past few years, both by companies and investors. Bankers said Glaxo probably was not alone in losing money on its market investments.

"I personally feel there could be a lot more companies in the same position down the road, but you cannot quantify it," said Mr. Shah of First National Bank of Chicago. "There's such a lack of transparency, even the investment firms may not know what the true picture is."

Glaxo's share price was little changed. The share closed at 557 pence on Thursday, up 6 pence from Wednesday but it was down from 561 pence a week ago.

(Bloomberg, Reuter, AFP)

I personally feel there could be a lot more companies in the same position down the road.'

Kiril Shah, market strategist, First National Bank of Chicago.

atic for Glaxo as it moves to untangle its investments.

"Structured notes tend to be off-balance-sheet investments," said Kiril Shah, a market strategist at First National Bank of Chicago in London. "Any losses may not be reflected in the accounts, but if you cash in the notes, the losses probably start to show up in the accounts."

turns tend to be based solely on the movement of an underlying security or market, only a portion of a structured note's return derives from such changes. In some cases, only the investment's principal may be tied to these security or market movements.

Because such issues are agreements tailored specifically for investors and sellers, it is

PUMP: Japan in No Rush for Self-Service Gas Stations

Continued from Page 1
ly benefit. Indeed, such companies as Mobil and Exxon, which are already well entrenched here, have been opposing a broader set of proposals to deregulate the oil market.

Rather, the push for self-service has come from Japanese big business. With the rising yen making Japanese companies less competitive, they are trying to cut costs.

The press has also taken up the cause because self-service gasoline is an example of deregulation that is easy to understand — though perhaps not too easy.

Recently, one evening news program treated viewers to a report from Los Angeles in which a reporter demonstrated step by step how to fill up and pay the bill without a gas tank.

Nor, opponents say, would self-service reduce prices much. Even proponents of self-service say the most that could be saved would be about 75 cents a gallon.

Opponents of self-service — mainly gas station owners and the national Fire Defense Agency — say that letting driv-

ers handle the hoses will lead to fires.

"In the West, buildings are made of stone," said Yoshiro Sano, head of the National Federation of Petroleum Commercial Associations, which represents gas stations. "But in Japan, buildings are made of more flammable materials."

Efficiency would also suffer,

Mr. Sano argued. Since "gasoline stands" as they are called here, are far smaller than in the West, cars would be crashing into one another without adequate room to guide them, and the time it takes to fill up and pay the bill would double.

Nor, opponents say, would self-service reduce prices much.

Even proponents of self-service

say the most that could be saved

would be about 75 cents a gallon.

But perhaps the biggest argu-

ment of all against self-service

is economic. There are 60,000

gasoline stands in Japan, many

DOLLAR: Voice of Concern

Continued from Page 1
of the dollar would be "neither desirable nor justified."

In his remarks at a meeting of the American Chamber of Commerce in Frankfurt, Mr. Tietmeyer also termed inflation fears that have affected bond markets as "partly exaggerated." He described the recently volatile currency movements as probably having been "an overreaction by the markets."

He gave no hint of the Bundesbank's own plans on the interest rate front. But he rejected the idea of "a policy of forced, aggressive reductions" in short-term German interest rates in order to stimulate the economy.

**For investment information
Read THE MONEY REPORT
every Saturday in the IHT**

CAR: Record Quarter for Chrysler

Continued from Page 9
and both its Eagle and Chrysler brands actually slipped in the rankings.

On Wednesday, Chrysler officials said that Chairman Robert Eaton had formed a team of senior executives to study the company's quality problems and come up with solutions.

For the first six months of the year, Chrysler earned \$1.89 billion, or \$3.16 per primary share, on revenue of \$26.3 billion. That compared with a loss of \$3.75 billion on \$21.9 billion in revenue for the first half of 1993, when the company took a one-time accounting charge of \$4.97 billion for return health care benefits.

Strong consumer demand for Chrysler cars and trucks, both in North America and around the world, once again generated solid quarterly financial results," said Mr. Eaton.

Dealers witnessed a short supply of inventory for much of the quarter, he added.

Chrysler Financial Corp., the company's financial services division, reported second-quarter profit of \$44 million, unchanged from the corresponding period in 1993.

Mr. Eaton said that Chrysler was "carefully adding increased capacity" over the next three years.

(Bloomberg, Reuters, AFP)

Tesco Bid for Scottish Chain

Compiled by Our Staff From Dispatches

LONDON — Tesco PLC made a friendly takeover bid worth about £154 million (\$241 million) for William Low & Co., a supermarket chain based in Scotland, the companies said Thursday.

Tesco, a big British supermarket chain, is offering 225 pence per share for Low's common stock. The bid is in cash with a stock alternative and it represented a 33 percent premium over William Low's Wednesday close of 169 pence.

The acquisition would enhance Tesco's position in Scotland, where it has only 16 stores. William Low, which had sales of \$447 million in the year ended Sept. 4, operates 57 supermarkets, 45 of which are in Scotland.

"They are moving into a geographic area where they aren't as strong as some of their competitors — their Scottish position has been weak," said Nick Burd, a retailing analyst at Morgan Stanley & Co. "It's relatively bad news to Argyll, as an improved William Low could be a bit of a threat in Scotland."

He added that William Low was "something you'd think was hardly worth buying into, but the competitive environment is such that to expand you need small acquisitions."

(Bloomberg, AFX)

VNU Buys U.S., Italian Magazines

Compiled by Our Staff From Dispatches

HAARLEM, Netherlands — VNU NV, the Dutch magazine publisher, agreed to buy the New York-based magazine unit of Boston Ventures Management Inc. after earlier on Thursday acquiring nine magazines from Italy's RCS Editori SpA.

VNU did not divulge the price it will pay for Bill Communications Inc. It was the fourth American acquisition this year. It also did not provide a price for the Italian business publications, which include computer magazines.

Bill Communications earned \$65 million in 1993. The company publishes magazines like Successful Meetings, Food Service Director and Contemporary Long Term Care. (Bloomberg, AFX)

ANNOUNCEMENTS**Attention visitors
from the U.S.!**

If you enjoy reading the IHT when you travel, why not also get it at home?

Some-day delivery available in key U.S. cities.

Call (1) 800 882 2884 (in New York, call 212 522 3530).

Herald Tribune

ALCOHOLICS ANONYMOUS English version, 2nd edn. Tel. 212 522 3530.

ASTON CORPORATE TRUSTERS LTD 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

INTERDEAN INTERNATIONAL MOVIES FOR A FREE ESTIMATE CALL PARS (1) 39201400

BUSINESS OPPORTUNITIES

AGENTS NEEDED My company First Choice International Ltd. is looking for agents to represent us in Asia. Are you working in that market? Please contact us at fax +41 (0) 22 3340 Switzerland.

OFFSHORE COMPANIES For free brochures or advice, call or fax 0324 625493.

MOVING

INTERDEAN INTERNATIONAL MOVIES FOR A FREE ESTIMATE CALL PARS (1) 39201400

AVAILABLE CAPITAL

Equity or debt financing. A program tailored to your corporate needs.

Worldwide incorporation.

Full confidential services.

London representative.

Full administration services worldwide.

ASTON CORPORATE TRUSTERS LTD 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

ATTILA'S RESTAURANT 244 Peel Road, Douglas, Isle of Man Tel. 0344 626591 Fax 0324 625493.

NASDAQ

THURSDAY *Thursday's 4 p.m.*

Thursday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Thursday's Closing
Tables include the nationwide prices up to
the closing on Wall Street and do not reflect
late trades elsewhere. Via The Associated Press

INTERNATIONAL HERALD TRIBUNE, FRIDAY, JULY 15, 1994

SPORTS



Prayer helped José María Olazábal with his tee shot on 14, but it did little for him elsewhere: He shot 2-over-par 72.

Don King Indicted for Insurance Fraud

The Associated Press

NEW YORK — Don King, the wild-haired promoter who is one of the most powerful men in boxing, was charged Thursday with wire fraud for allegedly filing a fraudulent insurance claim after a 1991 boxing match was canceled.

The nine-count indictment alleges that King, president of Don King Productions Inc., made a false claim to Lloyd's of London after the cancellation of the match between Julio Cesar Chavez and Harold Brazier.

The indictment, returned Thursday by a federal grand jury, said the \$350,000 claim was filed after Chavez cut his nose.

A spokesman for King, Michael Marley, said he would not comment until he had a chance to see the indictment.

King allegedly tried to get money from Lloyd's by filing a contract with the London-based insurance market that was not the contract actually signed between King and Chavez.

King, 62, of Oakland Park, Florida, said his losses stemmed from nonrefund-

able training expenses that he claimed he paid Chavez for the fight, according to the indictment.

The indictment said King lied when he claimed the training fees were nonrefundable.

Afterward, the indictment said, King did not tell Chavez he had recovered insurance money for training expenses.

If convicted, King faces a maximum sentence of five years in prison and a \$250,000 fine on each of the counts. His arraignment is scheduled for July 21.

Courier's First Up at Davis Cup Quarters

The Associated Press

ROTTERDAM — Jim Courier will lead off Friday for the U.S. team in its Davis Cup quarterfinal against the Netherlands.

In Thursday's draw, Courier, now ranked No. 11 in the world after falling from No. 1, was slated to play the first match against the top Dutch player, Richard Krajicek, ranked 26th.

In the other quarterfinals, France and Sweden will be playing in Cannes; Russia and the Czech Republic will get under way in St. Petersburg, and Germany will be playing host to Spain in Halle.

At an arena built just for the event in Rotterdam harbor, Courier and Krajicek will be followed onto the court by the top-ranked Pete Sampras, who recently completed a successful defense of his Wimbledon singles title.

Sampras will play Jacco Eltingh, who is ranked No. 52 in the world.

Between them, Sampras and Courier have won a total of eight Grand Slam singles titles.

Courier's presence also bodes well for the team's effort — he's never been on a losing U.S. Davis Cup team.

Eltingh was chosen ahead of the better-ranked Paul Haarhuis because Eltingh's serve-and-volley game is better suited to the hard surface the teams will play on.

Saturday's doubles rubber

match will be played between Eltingh and Haarhuis and Ritchie Keneberg and Jared Palm-

er, the U.S. doubles specialists.

On Sunday, Krajicek faces Sampras and Eltingh meets Courier in the last two matches of the quarterfinal.

The Dutch captain, Stanley Frankel, said he chose the hard surface because his players felt it gave them the best chance.

Asked what surface would suit the Americans, Frankel said: "What doesn't suit the Americans?"

"I didn't play well at Wimbledon. I hope this is going to be a turn for me," Krajicek said.

Courier said he was pleased he would be first up in the tie that will decide who meets the winner of the France-Sweden quarterfinal.

"It's better for me," Courier said. "I know when I will be playing and I'll be able to eat and warm up properly."

In Cannes, Stefan Edberg will open for Sweden against France's Arnaud Boetsch. That

will be followed by Henrik Holm taking on Cedric Pioline. The pairings will be reversed on Sunday.

In Saturday's doubles, Jan Apell and Jonas Björkman of Sweden will play Olivier Delaître and Jean-Philippe Fleurian, although the captains have the right to change their lineup up until an hour before the starting time.

France and Sweden have met nine previous times, with the Swedes winning six, including the last two in 1987 and 1988.

Courier won the Davis Cup final in 1991 against the United States, but lost in a quarterfinal against Switzerland in 1992 and was upset by India last year, also in the second round.

Sweden lost in the Davis Cup finals most recently in 1988 and 1989, both times to Germany.

France's Guy Forget, despite making the quarterfinals at Wimbledon and a recent final

at Gstaad, Switzerland, will not play. After returning from nearly a year off with a knee injury, he is still considered questionable for long matches on a hard court.

In St. Petersburg, Russia's Yevgeni Kafelnikov will play Ctislav Dosed of the Czech Republic and Andrei Olskovskiy will meet Petr Korda.

The Russian tennis star Alexander Volkov has withdrawn from the second round tie because of illness.

Andrei Borisov, the Russian team captain, said Thursday that Volkov's doctor has banned any trips outside the player's home town of Kaliningrad.

Gennady Zhukov, vice president of the Russian Tennis Association, said Volkov had allergic dermatitis, picked up on a beach near Kaliningrad.

"His whole body is covered with a vicious red rash. He cannot even take a shower," Zhukov said.

In the doubles on Saturday, Kafelnikov and Olskovskiy will play Korda and Cyril Suk.

In the final round Sunday, Kafelnikov will be playing Korda and Olskovskiy will meet Dosed.

"I am in a great form, even though for me it's the first time as a team leader," Kafelnikov said. "I cannot forecast the results, but I am sure that we will win the doubles match."

The Czech captain, Vladimir Zednik, said he expected the doubles to go to five sets, "but I cannot say in whose favor."

"There are some big names under me, aren't there?" he asked somewhat sheepishly after a round that included four birdies and no bogeys. "I'd rather not look at them. You look at the leaderboard and you can get too much pressure."

When he and Turner do speak a peak, they will see that 44-year-old Tom Watson is only two strokes behind, at 68 in a group that includes Loren Roberts, runner-up at the U.S. Open three weeks ago, and John Daly, who cracked one 355 yards downwind this afternoon, playing the 441-yard

True to Form, 2 Open Outsiders (Turner and Lomas) Are Leading

By Leonard Shapiro
Washington Post Service

TURBERRY, Scotland — With flagsticks flapping the way they're supposed by the Scottish seaside, Turnberry turned tricky and treacherous Thursday precisely on schedule for the first round of the 123rd British Open.

When the last man trudged homeward through the fading light and the stiff breezes, the splitting skies and the brutal back nine of the Ailsa course, played into the teeth of winds gusting to 25 miles an hour (40 kph), another old British Open tradition was maintained.

Late in the day, Greg Turner, a 31-year-old New Zealander from

New Zealand, holeled out for an eagle from the 16th fairway,

buried the 17th and found himself stop the leaderboard with a 5-under-par round of 65.

He wrested the lead from another virtual unknown, 26-year-old Jonathan Lomas, a Shropshire lad playing his first Open. Using an elongated driver, a new putter and a new caddy, Lomas was one back at 66 and probably berating himself for missing a 30-inch (76-centimeter) birdie putt at the 209-yard 15th that would have given him a share of the lead.

Lomas used a floppied Mickey Mouse head cover on a 47-inch driver, had a one-stroke lead over Andrew Magee of the United States, who tied for fifth at Muirfield

two years ago.

With apologies to Disney, Magee says he likes to whistle while he works, "anything from classical to country western" and describes himself as a crowd favorite because "I'm Scottish somewhere."

Turner is all New Zealand, by way of the University of Oklahoma. He's played the European Tour the last nine years with two victories, and is 22d on the money list this year. He had to qualify to play this week, shooting 65-67 to make the field last Sunday and Monday.

Both he and Lomas fit in nicely with a long list of first-round wonders, last-round distant memories. At Turnberry in 1977, John Schroeder of the United States opened with 66 and faded, the fate that later befell one Bill Longmuir of Scotland at Royal Lytham in 1979. Wayne Stephens of England at Troon '89 and so many others before them.

"If we're still having this same chat on Saturday, it might be different," Turner said. "I guess only time will tell."

Lomas, the softspoken son of a chicken farmer, had about four hours of glory as the early leader in the clubhouse. This is a man, with a four-handicap, who occasionally uses his car as a bedroom last year on the European satellite tour and says his main goal this week is "try-ing to play four days."

"There are some big names under me, aren't there?" he asked somewhat sheepishly after a round that included four birdies and no bogeys. "I'd rather not look at them. You look at the leaderboard and you can get too much pressure."

When he and Turner do speak a peak, they will see that 44-year-old Tom Watson is only two strokes behind, at 68 in a group that includes Loren Roberts, runner-up at the U.S. Open three weeks ago, and John Daly, who cracked one 355 yards downwind this afternoon, playing the 441-yard

at Gstaad, Switzerland, will not play. After returning from nearly a year off with a knee injury, he is still considered questionable for long matches on a hard court.

In St. Petersburg, Russia's Yevgeni Kafelnikov will play Ctislav Dosed of the Czech Republic and Andrei Olskovskiy will meet Petr Korda.

The Russian tennis star Alexander Volkov has withdrawn from the second round tie because of illness.

Andrei Borisov, the Russian team captain, said Thursday that Volkov's doctor has banned any trips outside the player's home town of Kaliningrad.

Gennady Zhukov, vice president of the Russian Tennis Association, said Volkov had allergic dermatitis, picked up on a beach near Kaliningrad.

"His whole body is covered with a vicious red rash. He cannot even take a shower," Zhukov said.

In the doubles on Saturday, Kafelnikov and Olskovskiy will play Korda and Cyril Suk.

In the final round Sunday, Kafelnikov will be playing Korda and Olskovskiy will meet Dosed.

"I am in a great form, even though for me it's the first time as a team leader," Kafelnikov said. "I cannot forecast the results, but I am sure that we will win the doubles match."

The Czech captain, Vladimir Zednik, said he expected the doubles to go to five sets, "but I cannot say in whose favor."

"There are some big names under me, aren't there?" he asked somewhat sheepishly after a round that included four birdies and no bogeys. "I'd rather not look at them. You look at the leaderboard and you can get too much pressure."

When he and Turner do speak a peak, they will see that 44-year-old Tom Watson is only two strokes behind, at 68 in a group that includes Loren Roberts, runner-up at the U.S. Open three weeks ago, and John Daly, who cracked one 355 yards downwind this afternoon, playing the 441-yard

at Gstaad, Switzerland, will not play. After returning from nearly a year off with a knee injury, he is still considered questionable for long matches on a hard court.

In St. Petersburg, Russia's Yevgeni Kafelnikov will play Ctislav Dosed of the Czech Republic and Andrei Olskovskiy will meet Petr Korda.

The Russian tennis star Alexander Volkov has withdrawn from the second round tie because of illness.

Gennady Zhukov, vice president of the Russian Tennis Association, said Volkov had allergic dermatitis, picked up on a beach near Kaliningrad.

"His whole body is covered with a vicious red rash. He cannot even take a shower," Zhukov said.

In the doubles on Saturday, Kafelnikov and Olskovskiy will play Korda and Cyril Suk.

In the final round Sunday, Kafelnikov will be playing Korda and Olskovskiy will meet Dosed.

"I am in a great form, even though for me it's the first time as a team leader," Kafelnikov said. "I cannot forecast the results, but I am sure that we will win the doubles match."

The Czech captain, Vladimir Zednik, said he expected the doubles to go to five sets, "but I cannot say in whose favor."

"There are some big names under me, aren't there?" he asked somewhat sheepishly after a round that included four birdies and no bogeys. "I'd rather not look at them. You look at the leaderboard and you can get too much pressure."

When he and Turner do speak a peak, they will see that 44-year-old Tom Watson is only two strokes behind, at 68 in a group that includes Loren Roberts, runner-up at the U.S. Open three weeks ago, and John Daly, who cracked one 355 yards downwind this afternoon, playing the 441-yard

at Gstaad, Switzerland, will not play. After returning from nearly a year off with a knee injury, he is still considered questionable for long matches on a hard court.

In St. Petersburg, Russia's Yevgeni Kafelnikov will play Ctislav Dosed of the Czech Republic and Andrei Olskovskiy will meet Petr Korda.

The Russian tennis star Alexander Volkov has withdrawn from the second round tie because of illness.

Gennady Zhukov, vice president of the Russian Tennis Association, said Volkov had allergic dermatitis, picked up on a beach near Kaliningrad.

"His whole body is covered with a vicious red rash. He cannot even take a shower," Zhukov said.

In the doubles on Saturday, Kafelnikov and Olskovskiy will play Korda and Cyril Suk.

In the final round Sunday, Kafelnikov will be playing Korda and Olskovskiy will meet Dosed.

"I am in a great form, even though for me it's the first time as a team leader," Kafelnikov said. "I cannot forecast the results, but I am sure that we will win the doubles match."

The Czech captain, Vladimir Zednik, said he expected the doubles to go to five sets, "but I cannot say in whose favor."

"There are some big names under me, aren't there?" he asked somewhat sheepishly after a round that included four birdies and no bogeys. "I'd rather not look at them. You look at the leaderboard and you can get too much pressure."

When he and Turner do speak a peak, they will see that 44-year-old Tom Watson is only two strokes behind, at 68 in a group that includes Loren Roberts, runner-up at the U.S. Open three weeks ago, and John Daly, who cracked one 355 yards downwind this afternoon, playing the 441-yard

at Gstaad, Switzerland, will not play. After returning from nearly a year off with a knee injury, he is still considered questionable for long matches on a hard court.

In St. Petersburg, Russia's Yevgeni Kafelnikov will play Ctislav Dosed of the Czech Republic and Andrei Olskovskiy will meet Petr Korda.

The Russian tennis star Alexander Volkov has withdrawn from the second round tie because of illness.

Gennady Zhukov, vice president of the Russian Tennis Association, said Volkov had allergic dermatitis, picked up on a beach near Kaliningrad.

"His whole body is covered with a vicious red rash. He cannot even take a shower," Zhukov said.

In the doubles on Saturday, Kafelnikov and Olskovskiy will play Korda and Cyril Suk.

In the final round Sunday, Kafelnikov will be playing Korda and Olskovskiy will meet Dosed.

"I am in a great form, even though for me it's the first time as a team leader," Kafelnikov said. "I cannot forecast the results, but I am sure that we will win the doubles match."

The Czech captain, Vladimir Zednik, said he expected the doubles to go to five sets, "but I cannot say in whose favor."

"There are some big names under me, aren't there?" he asked somewhat sheepishly after a round that included four birdies and no bogeys. "I'd rather not look at them. You look at the leaderboard and you can get too much pressure."

When he and Turner do speak

SPORTS WORLD CUP

The 'Sweat and Tears' of a Brilliant Baggio Sweep Italy Into the Final

By Ian Thomsen
International Herald Tribune

EAST RUTHERFORD, New Jersey — His fellow Italians triumphed in a sort of agony alongside of Roberto Baggio. They were all faces and gestures as they moved toward the World Cup final, while Baggio, who was taking them there, became a silhouette.

The Baggio who scored twice in Italy's 2-1 semifinal victory was untouchable, as if the man had become a reflection of his own shadow. This was the final transformation of a genius giving himself up to the spotlight which so terrifies and bedazzles his teammates. They would not be going on to play Brazil for the title on Sunday if that spotlight had reflected off of Baggio — blinding them — as it did over the three first-round matches. Italy was on the verge of dismissal then.

Over the course of eight days, Baggio has learned how to deal with the pressures as only a few others have done over the 64 years of this tournament. In a span of 148 minutes he has scored five goals, and in the matches preceding Wednesday's he had

twice rescued his team from defeat. Now the skeptical attention of an entire world seemed trained on him. It was one thing to convert defeat into victory; and it would have been another thing to live up to the expectations of leading Italy through the semifinal. What Baggio did was unprecedented in a career that already had declared him the world and European player of 1993. The pressures ran through him and improved him. He absorbed the light.

"This is my work, my life, and it is made of sweat and tears," he said before he limped away to the team bus, where some Bulgarians were waiting to have pictures taken with him. "But this time," he claimed, "I cried because I was very, very happy."

Later the defeated Bulgarians affirmed Baggio for his greatness, but they learned nothing from it. For their own weakness they blamed the referee. It was, after all, a short brilliant spell cast by Baggio, and as it wore off he collided with a Bulgarian defender and had a tooth chipped. Then, more than 20 minutes after Hristo Stoichkov converted a penalty for the final score,

Baggio felt the hamstring muscle pull tight in his right leg at the end of a 67th-minute run into the penalty box. He was replaced by Giuseppe Signori a short time later.

The next few days will be dominated by reports of Baggio's condition. It looks very much like a final test designed for the rare star whose performance has exceeded all demands.

"Roberto Baggio will play the final," assured Antonio Matarrese, president of the Italian federation.

Countered Baggio, "There is no certainty in my status for the final."

"Apparently, something is wrong with my muscle," he said. "Exactly what, I don't know."

Vincenzo Pinolini, the team's trainer, said Thursday that "at the moment his chances" of playing Sunday "are 50 percent" because of what he said was a strained muscle.

Less than four weeks earlier, Giants Stadium had been filled with Irish supporters who applauded Baggio's every failure during Italy's 1-0 opening loss; and a few days later, here again, he had been replaced on

the field in the first half of Italy's victory over Norway. Those might have been the worst days of his career, so it is not difficult to imagine the contradictions bubbling inside as he entered this stadium as savior through the same door that had sent him out as goat. Or perhaps he had been a "drenched rabbit," as he was called recently by Gianni Agnelli, the owner of Baggio's club team, Juventus.

The three tiers encircling the field were filled largely by Italians whose hounding and shouting gave the impression of a bad traffic accident in Rome. They cheered Italy with a force that served notice of the punishment awaiting losers. The Bulgarians stood in a line, twiching at the knees, anxious to learn whether these three-time champions would be as vulnerable as the Germans had been in the previous round.

The afternoon was harsh and steaming, and Baggio frowned against the sunlight. Recovering from an inflamed Achilles tendon, he had appeared exhausted since the end of the first round.

Within two minutes Baggio was practically warning the Bulgarians that he was

going to beat them — slamming a free kick at the belly of their two-man wall, then chasing a loose ball dangerously into the box. As the goalkeeper Borislav Mikhalov fielded it, the defender Petar Houbtchev gave Baggio a not-so-playful shove. He received only a glance in return from Baggio.

The chanters of "Italia, Italia," by the tens of thousands were all staring at him, the opponents were wary of him, the heat could not be escaped — yet Baggio stood as always in a slouch, his bad posture an expression of calm. His braided ponytail is not an expression of aggression but a symbol of gentleness; he has been trying to match it with a goatee which still looks like peach fuzz. He is 27 years old and the team shirt was still a little bit too big, relaxed and baggy.

In the 21st minute he stole a throw-in from two Bulgarians. He turned toward the box, where a third Bulgarian was awaiting. The sun was slightly behind them, and so the shadow of Baggio ran ahead as quickly and nimbly as Baggio himself. The ball was in the net before anyone realized what he had begun.

As if seeking to immortalize Baggio, his teammates set out after the shadow. In the 25th minute, Demetrio Albertini would hit the post and then fire a rebound that was tipped over the bar by Mikhalov — and each time Albertini grabbed at his hair and gasped at the sight of what he almost had been able to do. A few minutes later, Pierluigi Casiraghi would stagger wide-eyed after very nearly finishing a long ball presented by Baggio; in the 43rd minute, the Italian captain, Paolo Maldini, would crumble to his knees as his heading of a corner flared just wide of the post.

Success was almost beyond their imagination.

So imagine what it took for Baggio, who lives in the brightest, hottest part of their environment, and who two weeks earlier was closer to a greater failure than any of them could imagine — how was it that Baggio could so effortlessly run down a bounding pass from Albertini in the 26th minute, kicking the ball out of the air on a hard angle across the box and into the low far corner? Easier chances had been much too much for Maldini and Albertini. As Baggio ran to a stop, blowing kisses against the overflowing wave of noise from the crowd, it became clear that he had buried the emotions which had threatened to bury him. This is what means to play with the efficiency and ruthlessness of a shadow, and it is not without cost.

The rest of the game went away from Baggio. His original defender, Zlatko Ivanov, was replaced by the more diligent Triton Ivanov, who was responsible for chipping Baggio's tooth. At the other end, Nasko Sirakov was being tumbled by Alessandro Costacurta over the Italian goalkeeper's legs at the end of a good run, and Stoichkov was converting the penalty for his sixth goal of the tournament.

Predictably, the Italians swarmed to protect their lead. The Bulgarians complained about three alleged fouls in the Italian penalty box — the most apparent being a hand ball by Costacurta that was ruled inadvertent by the French official, Joel Quiniou. After the defeat, Stoichkov was asked whether God was still a Bulgarian, as he had proclaimed after the second-round shoot-out victory over Mexico.

"Yes, I think God was on our side but the referee was French," Stoichkov replied. He and other Bulgarians inferred that Quiniou had succeeded in avenging France's crucial loss to Bulgaria in the final World Cup qualifier last November.

"Of course it was a referee on the verge of retirement, it was probably his last World Cup," Stoichkov said. "I don't think it was just a coincidence that this referee was chosen to officiate our match."

Baggio watched as opposing strikers Emile Kostadinov and Stoichkov, himself suffering with a hamstring injury, were replaced in the final minutes. For all of the Bulgarian control in the second half, the Italians were hardly threatened. The final moments ticked away and Baggio stood, hands pressed together at his chin.

No sooner had the game ended than his tears began. He pressed his face against the chest of his nearest teammate, Dino Baggio, and held tight as he was danced clumsily across the field from partner to partner, hugging one teammate after another, sobbing as they had never seen him do before. He accidentally embraced a Bulgarian.

At the end he found himself in the arms of Gigi Riva, the alltime leading Italian scorer whose team had advanced to the 1970 final. There it lost to Brazil. On Sunday, Baggio will meet Brazil.

"Gigi Riva knows what our feels in this type of situation," Baggio said later.

So, too, do Baggio's teammates. They agonize over what they could have done, he suffers with what he has to do. It is the burden of his shadow.



Roberto Baggio scored first on a shot that stunned defender Triton Ivanov and froze goalkeeper Borislav Mikhalov.

Costacurta: Amid Italy's Joy, a Yellow Card of Despair

Reuters

EAST RUTHERFORD, New Jersey — Alessandro Costacurta refused to linger for the celebrations.

As his teammates hugged their coach, Arturo Sacchi, and Roberto Baggio wept on the shoulders of anyone within range, the AC Milan defender headed straight for the dressing rooms, brushing aside a member of Italy's staff who tried to stop him.

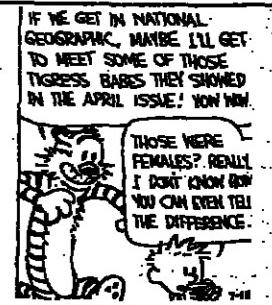
A yellow card in the 62d minute, his second of the tournament's latter stages, had ended his World Cup.

In May, a suspension had ruled him out of AC Milan's European Cup triumph over Barcelona, depriving him of a part in one of the great club performances in recent years.

Now he will merely be a spectator at the Rose Bowl in Sunday's final against Brazil. "Costacurta is obviously very dis-

pointed," said Italy's captain, Paolo Maldini. "Playing in a World Cup final is the kind of thing that happens maybe once in a player's career."

"After the match we were all very pleased, but there was also sadness. We played the European Cup final in Athens without Costacurta and Franco Baresi and it looks like we'll have to do the same again."



CALVIN AND HOBBE



THE FAR SIDE



To our readers in Switzerland
It's never been easier to subscribe
and save.
Just call toll-free:
155 57 57
or fax: (01) 481 82 88

DENNIS THE MENACE



GARFIELD



DOONESBURY



TO OUR READERS
IN LUXEMBOURG
It's never been easier
to subscribe
and save.
Just call toll-free
0 800 2703

SPORTS WORLD CUP



Romário, having beaten goalkeeper Thomas Ravelli, was surprised to have this shot stopped by Patrik Andersson.

Brazil Triumphs Over Swedish Defense

By Steve Berkowitz
Washington Post Service

PASADENA, California — The final score was 1-0. But it might as well have been 100-0.

The way Brazil dominated Sweden in their semifinal Wednesday at the Rose Bowl, the teams could have played for days and Sweden would never have scored.

But the Brazilians could not find a way through the game Sweden defense, either. Not until the 81st minute, when their insatiable striker, Romário — all 5 feet, 6 inches of him — outjumped two defenders and headed a long crossing pass from Jorginho past beleaguered goalkeeper Thomas Ravelli.

"It had to come sometime," said Sweden's coach, Tommy Svensson, whose team was outshot, 26-3, and played a man short for the final 27 minutes.

Similarly, the Brazilians return to the title match to come some time. They have fielded many excellent World Cup teams since winning their third championship in 1970, but have found only disappointment.

"It was a big achievement after 24 years," said Brazil's coach, Carlos Alberto Parreira, whose team will be favored in Sunday's final here against Italy. "We are not happy yet, but it is already an achievement."

Brazil's muted postgame celebration reflected that sentiment. At the final whistle, its reserves charged onto the field waving their arms and there were hugs all around. But the players didn't linger. The true celebrating can come only on Sunday,

when either Brazil or Italy will win a record fourth World Cup.

"We want to give a beautiful present to the whole nation," Branco, the Brazilian defender, said.

Sweden already has done so with its best performance since 1958, when it finished as runner-up to Brazil.

"Yes," Patrik Andersson, a defender for Sweden, said. "Let's party on."

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"Technically, tactically and physically, we controlled the game," Parreira said.

"We created all of the situations for the whole game. The only difficulty was getting the ball in the goal."

In the 26th minute, a seemingly innocuous loose ball at Sweden's end turned into a near disaster, with only a miraculous play keeping the game scoreless.

The ball bounced to Romário, who freed himself as only he can. After a couple of dribbles toward the sideline to get clear of the traffic surrounding the ball, he cut toward the goal, split two defenders and thus was one-on-one against Ravelli deep in the penalty area.

Ravelli dutifully came off his goal line to challenge Romário, but it was no contest. Romário easily dodged to the right, leaving Ravelli grasping at air as the Brazilian glided to within six meters of the goal. He then elegantly cut the ball back toward what appeared to be an open net.

But Andersson almost magically materialized along the goal line, and made a sliding kick save.

"I'm still trying to figure out where that guy came from," Romário said.

The ball rebounded to Brazilian midfielder Mazinho, who was by himself on the right side about 10 meters from the goal, with Ravelli still out of the play and Andersson still on the ground. Mazinho drilled a shot into the outside of the side netting.

Brazil's domination continued during the first 10 minutes of the second half. Rai replaced Mazinho at the start of that half, and nearly scored just two minutes later. Ravelli had to recklessly dive to block that shot from close range.

After another sprawling save by Ravelli, Sweden put together several counterattacks. But, in the 63rd minute, its ability to attack at all suffered a serious blow. While making a futile play for the ball, Jonas Thern, a Brazilian midfielder, Dunga's legs got out from under him. The foul occurred in an open field and in clear view of the referee, José Torres, who flashed the red card.

Thern apologetically shook hands with Dunga, then departed, leaving Sweden with 10 players. Finally, Sweden would succumb.

Romário neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as penalty kicks to oust Romania on Sunday, there simply was not enough recovery time for the five Swedish starters who played Wednesday despite nagging injuries. The Swedes also played without Stefan Schwarz, their starting midfielder, who was serving a one-game suspension for receiving two yellow-card cautions and thus was ejected from the quarterfinal victory.

Parreira neatly summarized the result, which was a far cry from the teams' 1-1 match two weeks ago in the first round.

"We must recognize that we lost to a much better team today," Svensson said. "I'm pretty sure Brazil will win the final."

After needing overtime as well as

OBSERVER

Joys of Being Ernest

By Russell Baker

NEW YORK — There is an old story that Ernest Hemingway once saw Zenda and Scott Fitzgerald cavorting in the fountain outside New York's Plaza Hotel and felt challenged.

Being intensely competitive, Hemingway cried, "I can do a fountain cavort twice as good as Scott's and, what's more, I can do it without even getting my knees wet."

With which he leaped into the fountain and started to do the classic cavort's veronica, which Manole had taught him in the fountains of Andalusia.

Zenda, who never had any use for Hemingway anyway — or "Hemingway esque," as she once wrote in *Bulwark Digest* — tripped him in mid-cavort. Hemingway came up soaked from toe to crown, including the famous gun arm which had terrified the entire animal population of the Serengeti.

Stumbling out of the fountain, he started to dry himself on the suit of the first man he encountered, who happened to be Robert Benchley. Struggling out of Hemingway's embrace, Benchley headed for the Plaza bar saying, "I've got to get out of this wet Ernest and into a dry martini."

This oft-told story is nonsense, of course. I tell it here only to show what a silly age we end-of-the-century Americans have put behind us. It is appalling to realize that our country was once so lightheaded that people told and retold stories like this, stories with no moral weight and, worse, stories about people who drank — pardon the word — dry martinis.

Luckily we have survived and come safely to the present age of total earnestness, where we enjoy the governance of an earnest president and his earnest wife and whom earnest Republicans keep a piously earnest eye with the indispensably earnest aid of an earnest clergy, while our oppressed multitudes demand redress with tireless car-

nestness and our deceased politicians are buried with earnest funerals.

In some versions of the dry-martini story Robert Benchley is supposed to have said he had to "get out of these wet clothes" instead of "out of this wet Ernest" and into his dry martini.

Who cares? No true citizen of the earnest age. That's why it is sad to find this Benchley nonsense surfacing in The New York Times, a very Everest of earnestness, which recently said the "wet-clothes" line may have been Alexander Woolcott's.

How remarkable that so many people should once have known — and cared! — who Robert Benchley and Alexander Woolcott were. The explanation is that they were considered funny and that funniness was thought to have a value transcending its power to enlarge the consumer-goods market by alternating artificial laughter with television commercials.

If Benchley and his associates lacked earnestness, they did not lack interest in money. After many years of writing funny for small pay, Robert Benchley tried making some short, funny films in Hollywood, proved to be good at it, and, having found where the money was, never came back to writing.

Among others in Hollywood at the same time were Scott Fitzgerald and William Faulkner. Both were famous drinkers. So were so many other writers of the time that medical treatises argued that prose composition led inexorably to the bottle.

Here in the age of earnestness that argument seems doubtful. Here in the age of earnestness, recoiling before the thought of a dry martini and lifting a white wine spritzer, we can be pretty sure that what leads to the bottle is not writing, but lack of earnestness.

New York Times Service

Archibugi, a Film Master for Today's Italy

By Ken Shulman

FLORENCE — In just three films, Francesca Archibugi has become the leading exponent — and most articulate practitioner — of the modest, subdued realism that is dominating much of Italian cinema.

With her stories of day-to-day travail, peopled by characters who are both ordinary and remarkable, Archibugi gives voice to a generation of Italians that has reacted to disappointment and disillusionment by taking refuge in the uniqueness of the self. In "Mignon e Partita" (*Mignon Has Left*), 1987; "Verso Scena" (*Toward Evening*), 1990, and "Il Grande Cocomero" (*The Great Pumpkin*), 1992, Archibugi encapsulated the smothered angst of a generation forced to live in a minor key. She speaks, and well, for a generation that never dreamed life could be so complicated or difficult.

It is, then, surprising that the Rome-born thirty-something director (her age is a personal secret, an unexpected nod to vanity in a woman who exudes a palpably impenetrable air of diffidence and pride) has chosen to move out of a present that has been very good to her into a past that is, at least as a director, uncharted ground. Archibugi's current project, "Con Gli Occhi Chiusi" (*With Closed Eyes*) is based on the novel of the same name by Federigo Tozzi, a relatively obscure Tuscan writer who was much admired by Pirandello and Moravia. Written in 1913 and published after World War I, "Con Gli Occhi Chiusi" is set in rural Tuscany and tells the story of a stunted, stillborn love affair between the son of a wealthy landowner and the granddaughter of one of the landowner's tenant farmers.

"I've always wanted to make a film out of the Tozzi novel," says Archibugi, amid the costumed actors and farm animals that populate her turn-of-the-century rustic set at San Donato in Perano, an abandoned estate in the heart of the Chianti region. Archibugi, so unobtrusive and modestly dressed that she could be mistaken for a model-day farmer just back from collecting eggs, lives with a companion and their two daughters in a farmhouse across the valley.

"My mother gave me this book when I was still a teenager. Reading it was like getting struck with a bolt of lightning. It was astonishing that this man, who rarely left Tuscany and never stepped out of Italy, was in synchrony with the major literary currents of his time. 'Con Gli Occhi Chiusi' was and is the novel of my destiny."

A graduate of Rome's Centro Sperimentale di Cinematografia in 1980, Archibugi began her career with a series of short films, and a documentary. She considered making her feature film debut with "Con Gli Occhi Chiusi," but instead made "Mignon e Partita," a story of sentiment and unrequited adolescent love that earned her six Donatello de David awards in Italy as well as first prize for best film at the San Sebastian film festival in 1987.

"The thing that most impressed me about Francesca was her capacity for synthesis," says Leo Pescaroli, producer of "Con Gli Occhi Chiusi" and of Archibugi's three previous films. "No matter what the subject, she gets her point across clearly, intelligently, and succinctly. If an actor is unable to follow



Francesca Archibugi filming "Con Gli Occhi Chiusi": encapsulating the angst of a generation.

her suggestions, she allows him to proceed in his own way and tries to incorporate that into the scene. Her actors adore her."

"Con Gli Occhi Chiusi" is certainly Archibugi's most ambitious project, and also the most expensive. The estimated cost of production will exceed \$4 million, more than twice the amount that was spent making "Il Grande Cocomero." Unlike her previous films, which were set firmly in the present day, "Con Gli Occhi Chiusi" is a period piece, requiring costume, a convincing 19th-century setting, and most of all a viable transposition from classic novel to contemporary film.

"In many ways, my other films were also period pieces," explains Archibugi, squinting as she observes a pair of turkeys who appear in the film along with a slew of geese, chickens, goats, sheep and pigs. "There were costumes, sets and lighting. They just didn't appear as costumes because they were contemporary. It's important that a director identify with her story and her characters. But it is no harder, and no easier, for me to identify with these characters than it was for me to identify with the characters in my first three films. You identify with them on a psychological plane, not on a temporal one."

While the characters and setting of "Con Gli Occhi Chiusi" are lifted directly from the Tozzi novel, Archibugi has taken considerable artistic license in her film adaptation. "I have used the plot and the characters that I found in the book, but not Tozzi's vision of his world," says Archibugi. "Usually a director does the opposite, changes the story line in order to preserve the spirit of the original. I needed to give a personal reading to the story. I only know how to tell a story in one way."

Archibugi secured the collaboration of several of her preferred actors for "Con Gli Occhi Chiusi," including Stefania Sandrelli, who starred in "Mignon," and Alessia Fugard, the 13-year-old revelation of "Il Grande Cocomero." Her collaborators include Giuseppe Lanza, probably Italy's finest director of photography, and cinematographer Davide Bassan. In late June, Martin Scorsese signed on to the project as executive producer.

"I didn't have any problems working on a subject that wasn't mine," explains Archibugi. "I used the novel as a treatment from which I had to write a screenplay. And I have such an innate, profound transport with these characters that I feel as if I'd invented them myself. I have approached this film as an experiment, as a way to test a new opportunity, and to evolve beyond what we've done so far."

Ken Shulman is an American writer based in Italy.

PEOPLE

Schwarzenegger Movie Draw Arab Protests

Fans — and protesters shouting "True Lies" — are filling Los Angeles street as Arnold Schwarzenegger and other stars arrived for the premiere of his latest movie, "True Lies," which has been targeted by Middle Eastern activists who claim that Arabs are portrayed negatively in the film. Nonetheless, some big names schmoozed outside the theater, among them co-stars Jamie Lee Curtis and Tom Arnold; James Woods and Sharon Stone.

Prince Charles and his estranged wife, Princess Diana, appeared in public Thursday at the same event — the wedding of Lady Sarah Armstrong-Jones, 30, a niece of Queen Elizabeth, to artist Daniel Chatin, 37 — for the first time since the prince confessed to adultery on British television last month. The two arrived separately. A media ratings service has reported, meanwhile, that Charles's confession, watched by 13.5 million viewers, was topped by a soap opera, "Coronation Street," which drew 16.5 million.

Busts of former French model Isabelle de la Fressange, who now runs ready-to-wear boutiques, will soon adorn town halls throughout France. Fressange, who was chosen to represent Marianne, the symbol of the French Republic, was sculpted by Australian artist Mark Stewart.

The wife of fashion photographer David Bailey was mistakenly arrested in a London department store in connection with the kidnapping of a baby, Scotland Yard said. Catherine Bailey, 32, was carrying her 3-week-old son when she was stopped by police, who have questioned dozens of women with newborn babies since Abbie Humphreys' abduction July 1.

INTERNATIONAL CLASSIFIED

Appears on Pages 6 & 15

WEATHER

Europe

	Today			Tomorrow		
	High	Low	W	High	Low	W
Alps	27.90	16.94	s	27.70	16.94	s
Amsterdam	23.73	17.62	pc	22.71	17.62	pc
Antwerp	31.60	15.98	s	33.91	15.98	s
Athens	28.00	17.62	s	28.00	17.62	s
Basel	29.64	23.71	s	28.64	23.71	s
Berlin	27.80	17.62	s	27.70	17.62	s
Bordeaux	28.02	18.64	s	27.92	18.64	s
Bremen	27.80	16.94	pc	25.77	16.94	pc
Copenhagen	28.02	18.64	s	27.92	18.64	s
Dallas	31.88	23.73	s	30.88	23.73	s
Dublin	27.80	17.62	s	27.70	17.62	s
Durham	16.64	11.52	s	16.75	11.52	s
Edinburgh	27.80	17.62	s	27.70	17.62	s
Finland	27.80	17.62	s	27.70	17.62	s
Geneva	29.64	18.64	s	28.64	18.64	s
Helsinki	25.77	16.81	s	24.75	16.81	s
Iceland	27.80	17.62	s	27.70	17.62	s
London	27.80	17.62	s	27.70	17.62	s
Lyon	27.80	17.62	s	27.70	17.62	s
Milan	31.60	21.70	s	32.60	21.70	s
Moscow	27.80	17.62	s	27.70	17.62	s
Munich	26.79	17.62	s	27.69	17.62	s
Nice	29.64	21.70	s	28.64	20.65	s
Oulu	27.80	17.62	s	27.70	17.62	s
Palma	29.64	23.73	s	28.64	24.75	s
Paris	27.80	17.62	s	27.70	17.62	s
Prague	27.80	17.62	s	27.70	17.62	s
Rome	31.60	21.70	s	32.60	21.70	s
Stockholm	27.80	17.62	s	27.70	17.62	s
Strasbourg	27.80	17.62	s	27.70	17.62	s
Tokyo	27.80	17.62	s	27.70	17.62	s
Venice	29.64	23.71	s	28.64	22.71	s
Vienna	26.79	17.62	s	25.79	17.62	s
Zurich	26.82	17.62	pc	25.82	16.61	s

Oceania

Australia 24.69 9.45 1.427 24.65 9.45 1.427

Sydney 15.61 7.44 5.165 15.61 7.44 5.165

Forecast for Saturday through Monday, as provided by Accu-Weather.

North America

Unseasonably warm weather will continue across the eastern United States from Washington to Boston. It will be a rather wet weekend. Detroit will be cool Saturday, with a good deal of sunshine Sunday. Los Angeles and San Francisco will be dry through the weekend.

Middle East

Today

High	Low	W	Today	High	Low	W
Barcelona	22.94	17.62	pc	22.71	17.62	pc
Berlin	21.60	16.94	s	21.41	16.94	s
Brussels	24.69	20.77	s	24.48	20.77	s
Copenhagen	24.69	20.77	s	24.48	20.77	s
Dallas	32.69	23.73	s	32.69	23.73	s
Dublin	27.80	17.62	s	27.70	17.62	s
Edinburgh	27.80	17.62	s	27.70	17.62	s
Finland	27.80	17.62	s	27.70	17.62	s
Geneva	29.64	23.71	s	28.64	22.71	s
Helsinki	25.77	17.62	s	25.67	17.62	s
Iceland	27.80	17.62	s	27.70	17.62	s
London	27.80	17.62	s	27.70	17.62	s
Lyon	27.80	17.62	s	27.70	17.62	s
Milan	31.60</					